Piramal

PIRAMAL ENTERPRISES LIMITED

NOTICE - SECURED CREDITORS (Including Debenture Holders)

PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070

Tel No.: (91 22) 3802 3000/4000 **Fax No.:** (91 22) 3802 3084

Website: www.piramal.com **E-mail ID:** complianceofficer.pel@piramal.com

NOTICE OF MEETING OF THE SECURED CREDITORS (INCLUDING DEBENTURE HOLDERS) OF PIRAMAL ENTERPRISES LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

Day	:	Tuesday
Date	:	July 5, 2022
Time	:	11:30 a.m. (1130 hours)
Venue	:	Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021

INDEX

Form No. CAA 2

(Pursuant to Section 230 (3) of the Companies Act, 2013 and Rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)

IN THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH, COURT II

COMPANY APPLICATION NO. CA(CAA) 119/MB/2022

In the matter of

The Companies Act, 2013;

And

In the matter of

Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

And

In the matter of

Composite Scheme of Arrangement

amongst Piramal Enterprises Limited (Applicant Company 1/ Demerged Company/ Amalgamated FS Company)

Piramal Pharma Limited (Applicant Company 2/ Amalgamated Pharma Company/ Resulting Company)

Convergence Chemicals Private Limited (Applicant Company 3/ Amalgamating Pharma Company 1)

Hemmo Pharmaceuticals Private Limited (Applicant Company 4/ Amalgamating Pharma Company 2)

PHL Fininvest Private Limited (Applicant Company 5/ Amalgamating FS Company)

and their respective shareholders and creditors.

Piramal Enterprises Limited [CIN: L24110MH1947PLC005719]	))	**…Applicant Company 1 / Amalgamated FS Company / Demerged Company**
Piramal Pharma Limited [CIN: U24297MH2020PLC338592]	))	**…Applicant Company 2 / Amalgamated Pharma Company / Resulting Company**
Convergence Chemicals Private Limited [CIN: U24100MH2014PTC373507]	))	**…Applicant Company 3 / Amalgamating Pharma Company 1**
Hemmo Pharmaceuticals Private Limited [CIN: U17100MH1979PTC021857]	))	**…Applicant Company 4 / Amalgamating Pharma Company 2**
PHL Fininvest Private Limited [CIN: U67120MH1994PTC078840]	))	**…Applicant Company 5 / Amalgamating FS Company**

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS (INCLUDING DEBENTURE HOLDERS) OF PIRAMAL ENTERPRISES LIMITED

To,

The secured creditors (including debenture holders) of Piramal Enterprises Limited

NOTICE is hereby given that by an order pronounced on May 12, 2022 (the "**Order**") in the abovementioned Company Application, the Mumbai bench of the Hon'ble National Company Law Tribunal ("**NCLT**") has directed a meeting to be convened and held of the secured creditors (including debenture holders) of Piramal Enterprises Limited ("**Company/ PEL**"), for the purpose of considering, and if thought fit, approving the composite scheme of arrangement amongst the Company, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited, and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 ("**Act**") (the "**Scheme**" or "**Scheme of Arrangement**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of secured creditors (including debenture holders) of the Company will be held at Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 on Tuesday, July 5, 2022 at 11:30 a.m. IST or any adjourned dates thereof, for the purpose of considering, and if thought fit, approving the proposed Scheme ("**Tribunal Convened Meeting**" or "**Meeting**"), at which place, date and time, the secured creditors (including debenture holders) of the Company are requested to attend.

The NCLT has appointed Mr. M.A. Kuvadia, former Regional Director of Ministry of Corporate Affairs as the Chairperson of the Meeting ("**Chairperson**"). The abovementioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the NCLT.

TAKE NOTICE that in accordance with the said Order and provisions of Section 230(4) and other applicable provisions of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Merger Rules**"), the Company has provided the facility of voting through ballot / polling paper at the venue of the Meeting so as to enable the secured creditors (including debenture holders) to consider and if thought fit, approve the Scheme.

TAKE FURTHER NOTICE that the voting rights of secured creditors (including debenture holders) shall be in proportion to the amount due in the name of the secured creditor (including debenture holder) as per the books of accounts of the Company as on April 30, 2022 ("**Cut-off Date**"). Secured creditors (including debenture holders) entitled to attend and vote at the Meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400070 ("**Registered Office**") not later than 48 (forty-eight) hours before the Meeting.

TAKE FURTHER NOTICE that the following resolution is proposed under Sections 230 to 232 of the Act and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Company, for the purpose of considering, and if thought fit, approving the Scheme:

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the rules, circulars and notifications made thereunder as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by the Securities and Exchange Board of India ("**SEBI**") and as amended from time to time, read with the observation letters dated April 20, 2022 issued by BSE Limited and the National Stock Exchange of India Limited and relevant provisions of other applicable laws, the provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") and / or the National Company Law Appellate Tribunal or such other forum or authority as may be vested with the appellate jurisdiction in relation to approval of the Scheme and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more*

*Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the proposed Composite Scheme of Arrangement amongst the Company, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited, and their respective shareholders and creditors (the "**Scheme**"), as per the draft enclosed to this notice, be and is hereby approved;*

***RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts, transfer/vesting of such assets and liabilities as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to make modifications, amendments, revisions, edits and all other actions as may be required to finalise the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/ directions as may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme, or by any governmental authorities, to do and perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation of the Scheme and upon the sanction of the Scheme by, amongst others, the NCLT and/or SEBI and/or any other regulatory/Government authorities, to implement and to make the Scheme effective, without any further approval of the Board or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder and/or creditor of the Company, the SEBI, the NCLT, and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings, etc (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of the Company, as may be required from time to time in connection with the Scheme."*

TAKE FURTHER NOTICE that a copy of the Scheme, the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Merger Rules, along with the enclosures as indicated in the Index including the Proxy Form, Attendance Slip and Route Map, are enclosed herewith. A copy of this Notice and the accompanying documents will be hosted on the website of the Company at https://www.piramal.com/investor/overview/ and will also be available on the website of BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") at www.bseindia.com and www.nseindia.com, respectively. A copy of the Scheme along with the Explanatory Statement can be obtained free of charge, between 11:00 a.m. to 1:00 p.m. on any day (except Saturday, Sunday and public holidays) upto one day prior to the date of the Meeting from the Registered Office of the Company or by sending a request by e-mail at complianceofficer.pel@piramal.com.

In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the secured creditors (including debenture holders) only if the Scheme is approved by majority of persons representing three-fourth in value of the secured creditors (including debenture holders) of the Company, voting in person or by proxy or by the authorized representative, made available at the Meeting.

The Scheme, if approved in the Meeting, will be subject to the subsequent approval of the NCLT.

Dated this May 26, 2022

Place: Mumbai

Sd/-
M.A. Kuvadia
Chairperson appointed for the Meeting

Registered Office:
Piramal Ananta, Agastya Corporate Park,
Kamani Junction, LBS Marg, Kurla (West),
Mumbai, Maharashtra – 400070
CIN: L24110MH1947PLC005719
W: www.piramal.com
E: complianceofficer.pel@piramal.com

Notes:

1. Only secured creditors (including debenture holders) of the Company as on the Cut-off Date may attend and vote either in person or by proxy (a proxy need not be a secured creditor of the Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Act) at the Meeting. A person who is not a secured creditor (including debenture holder) as on the Cut-off Date, should treat the Notice for information purpose only.
2. A form of Proxy is enclosed to this Notice. No instrument of proxy shall be valid valid unless:
   (i) it is signed by the secured creditor(s) (including debenture holder(s)) or by his/her attorney duly authorised in writing or in case of body corporate, it is executed under the common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by secured creditor (including debenture holder), who for any reason is unable to write, if his /her thumb impression is affixed thereto in presence of a witness who has signed the proxy form and added his/her description and address provided that all insertions have been made by the witness at the request and in the presence of the secured creditor (including debenture holder) before the witness attached his/her signature or mark.
   (ii) it is duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 (forty-eight) hours before the time fixed for the Meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company.
3. The authorised representative of a body corporate which is a secured creditor (including debenture holder) of the Company may attend and vote at the Meeting, provided an authority letter/ power of attorney / a copy of the resolution passed by its board of directors as per Section 113 of the Act or other governing body of such corporate authorizing such person to attend and vote at the Meeting as its representative, and certified to be a true copy by a director, the manager, the secretary, or other authorized officer of such body corporate along with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote is emailed to the Scrutinizer at bhaskar@nlba.in and to the Company at complianceofficer.pel@piramal.com not later than 48 (forty-eight) hours before the time scheduled for holding the Meeting.
4. All alterations made in the form of proxy should be fully signed.
5. A minor cannot be appointed as proxy.
6. In compliance with the Order, the notice of this Meeting, together with the documents accompanying the same, is being sent through electronic mode to those secured creditors (including debenture holders) of the Company whose e-mail addresses are registered with the Company as on the Cut-off Date, and by registered post, courier and / or hand delivery to the secured creditors (including debenture holders) of the Company whose email addresses are not registered with the Company.
7. Secured creditors (including debenture holders) of the Company as on the Cut-off Date or proxies or authorised representatives are requested to bring a copy of the Notice to the Meeting and produce duly completed and signed attendance slips at the entrance of the Meeting venue.
8. The proxy(ies) should carry any of their identity proof i.e., a Pan Card / Aadhar Card / Passport / Driving License / Voter ID Card or such other proof at the venue of the Meeting.
9. The Route Map showing directions to reach the venue is annexed at the end of the Notice.
10. The quorum of the Meeting of the secured creditors (including debenture holders) of the Company shall be 5 (five) secured creditors (including debenture holders), present in person. Further, in terms of the Order, in case the required quorum is not present at the commencement of the Meeting, the Meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
11. The NCLT has appointed Mr. Bhaskar Upadhyay (Membership No. 8663 and CP No. 9625) and failing him, Mr. Ainesh Jethwa (Membership No. 27990 and CP No. 19650) of M/s. N. L. Bhatia & Associates and M/s. Ainesh Jethwa & Associates,

Practicing Company Secretaries, respectively, as the Scrutinizer to scrutinize votes cast physically through ballot / polling paper in a fair and transparent manner. The Scrutinizer shall submit a consolidated report on votes cast to the Chairperson of the Meeting or to the person so authorised by the Chairperson. The scrutinizer's decision on the validity of the votes cast shall be final.

12. In terms of the directions contained in the Order, the Notice convening the Meeting will be published by Company through advertisement in the '*Financial Express*' in English language, having nationwide circulation and in the '*Loksatta*' in Marathi language, having circulation in Mumbai indicating the day, date, place and time of the Meeting and stating that the copy of the Scheme, the Explanatory Statement required to be furnished pursuant to Sections 230 to 232 of the Act can be obtained free of charge by emailing the Company at complianceofficer.pel@piramal.com.

13. Secured creditors (including debenture holders) who would like to express their views or ask questions during the Meeting may register themselves as speakers by sending their request from their registered email address mentioning their name, PAN, mobile number at complianceofficer.pel@piramal.com by Tuesday, June 28, 2022 (5:00 p.m. IST). Those secured creditors (including debenture holders) who have registered themselves as speakers will only be allowed to express their views/ask questions during the Meeting. The Chairperson reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the Meeting.

14. Declaration of results on the resolution:

    (i) The Scrutinizer shall, after the conclusion of the Meeting, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any and submit the same to the Chairperson of the Meeting or a person authorized by the Chairperson in writing who shall countersign the same.

    (ii) The result of the voting shall be announced by the Chairperson of the Meeting or a person authorized by the Chairperson in writing within 2 (two) working days from the conclusion of the Meeting upon receipt of the Scrutinizer's Report. The results declared, along with the Scrutinizer's Report, shall be displayed at the notice board of Registered Office of the Company and hosted on the Company's website at www.piramal.com. The Company shall also simultaneously forward the results along with the Scrutinizer's Report to BSE and NSE, the stock exchanges where the Company's equity shares are listed.

    (iii) Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the Meeting, i.e., on July 5, 2022.

Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT II
COMPANY SCHEME APPLICATION NO. CA(CAA) 119/MB/2022

In the matter of

The Companies Act, 2013;

And

In the matter of

Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

And

In the matter of

Composite Scheme of Arrangement

amongst Piramal Enterprises Limited (Applicant Company 1/ Demerged Company/ Amalgamated FS Company)

Piramal Pharma Limited (Applicant Company 2/ Amalgamated Pharma Company/ Resulting Company)

Convergence Chemicals Private Limited (Applicant Company 3/ Amalgamating Pharma Company 1)

Hemmo Pharmaceuticals Private Limited (Applicant Company 4/ Amalgamating Pharma Company 2)

PHL Fininvest Private Limited (Applicant Company 5/ Amalgamating FS Company)

and their respective shareholders and creditors.

Piramal Enterprises Limited [CIN: L24110MH1947PLC005719]	))	**…Applicant Company 1 / Amalgamated FS Company / Demerged Company**
Piramal Pharma Limited [CIN: U24297MH2020PLC338592]	))	**…Applicant Company 2 / Amalgamated Pharma Company / Resulting Company**
Convergence Chemicals Private Limited [CIN: U24100MH2014PTC373507]	))	**…Applicant Company 3/ Amalgamating Pharma Company 1**
Hemmo Pharmaceuticals Private Limited [CIN: U17100MH1979PTC021857]	))	**…Applicant Company 4 / Amalgamating Pharma Company 2**
PHL Fininvest Private Limited [CIN: U67120MH1994PTC078840]	))	**…Applicant Company 5 / Amalgamating FS Company**

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 231(1), 231(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to an order pronounced on May 12, 2022, by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**NCLT**") in the Company Application No. CA(CAA) 119/MB/2022 ("**Order**"), a meeting of the secured creditors (including debenture holders) of Piramal Enterprises Limited (the "**Company / Amalgamated FS Company / Demerged Company / PEL**") is being convened ("**Tribunal Convened Meeting" or "Meeting**") for the purpose of considering, and if thought fit, approving the composite scheme of arrangement amongst the Company, 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, pursuant to the provisions of Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 ("**Act**") (the "**Scheme**" or "**Scheme of Arrangement**"). The Company, PPL, CCPL, HPPL and PFPL are together referred to as the "Companies". This is a statement accompanying the notice for the Meeting as required under the Act. The Meeting is being convened as per the details given below:

Day	Tuesday
Date	July 5, 2022
Time	11:30 a.m. (1130 hours)
Venue	Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021

2. A copy of the Scheme which has been, inter alia, approved by the Board of Directors ("**Board**") of the Companies at their respective meetings held on October 7, 2021 is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

3. The Scheme, inter alia, provides for the following:

   (i) the transfer by way of a demerger of the Demerged Undertaking *(as defined in the Scheme)* of PEL to PPL, the consequent issue of equity shares by PPL to the shareholders of PEL in accordance with the Share Entitlement Ratio (as defined in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking of PEL shall stand cancelled and extinguished;

   (ii) the amalgamation of CCPL and HPPL, both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder ("**Pharma Amalgamations**");

   (iii) the amalgamation of PFPL, a wholly owned subsidiary of PEL, into PEL and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by PEL and joint shareholders ("**FS Amalgamation**"); and

   (iv) various other matters consequential or integrally connected therewith.

4. The secured creditors (including debenture holders) of the Company would be entitled to vote by ballot / polling paper during the Meeting. The quorum of the Meeting of the secured creditors (including debenture holders) of the Company shall be 5 (five) secured creditors (including debenture holders), present in person.

5. In terms of the said Order, the NCLT, has appointed Mr. M.A. Kuvadia, former Regional Director of Ministry of Corporate Affairs, as Chairperson of the Meeting.

6. The Companies have filed the Scheme with the Registrar of Companies, Maharashtra in Form No. GNL-1.

7. **Details as per Rule 6(3) of the Merger Rules**

   (i) <u>Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:</u>

   Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Tribunal Convened Meeting.

(ii) Details of the Companies:

Piramal Enterprises Limited

(a) Date of Incorporation: April 26, 1947

(b) Corporate Identification Number: L24110MH1947PLC005719

(c) Permanent Account Number: AAACN4538P

(d) Type of Company: Listed public limited company

(e) Registered Office: Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400070

(f) Email Address: complianceofficer.pel@piramal.com

(g) Name of the stock exchange(s) where securities of the company are listed: Equity shares of the Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). The non-convertible debentures issued by PEL are listed on the debt market of the NSE and capital segment of BSE.

Piramal Pharma Limited

(a) Date of Incorporation: March 4, 2020

(b) Corporate Identification Number: U24297MH2020PLC338592

(c) Permanent Account Number: AALCP0909M

(d) Type of Company: Unlisted public limited company

(e) Registered Office: Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra –400070

(f) Email Address: corporate.secretarial@piramal.com

(g) Name of the stock exchange(s) where securities of the company are listed: The shares of PPL are not listed on any stock exchange.

Convergence Chemicals Private Limited

(a) Date of Incorporation: November 19, 2014

(b) Corporate Identification Number: U24100MH2014PTC373507

(c) Permanent Account Number: AAFCC9336D

(d) Type of Company: Unlisted private limited company

(e) Registered Office: Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla West, Mumbai, Maharashtra – 400070

(f) Email Address: corporate.secretarial@piramal.com

(g) Name of the stock exchange(s) where securities of the company are listed: The shares of CCPL are not listed on any stock exchange.

Hemmo Pharmaceuticals Private Limited

(a) Date of Incorporation: November 7, 1979

(b) Corporate Identification Number: U17100MH1979PTC021857

(c) Permanent Account Number: AAACJ0958M

(d) Type of Company: Unlisted private limited company

(e) Registered Office: 114, Turf Estate, 3/65, off Dr. E. Moses Road, Mahalaxmi, Mumbai, Maharashtra – 400011

(f) Email Address: corporate.secretarial@piramal.com

(g) Name of the stock exchange(s) where securities of the company are listed: The shares of HPPL are not listed on any stock exchange.

PHL Fininvest Private Limited

(a) Date of Incorporation: June 8, 1994

(b) Corporate Identification Number: U67120MH1994PTC078840

(c) Permanent Account Number: AAACN5024A

(d) Type of Company: Unlisted private limited company

(e) Registered Office: 4^{th} Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra – 400013

(f) Email Address: corporate.secretarial@piramal.com

(g) Name of the stock exchange(s) where securities of the company are listed: The shares of PFPL are not listed on any stock exchange.

(iii) Other Particulars of the Company as per Rule 6(3) of the Merger Rules:

(a) ***Summary of the main objects as per the memorandum of association and main business carried on by the Company***

(A) The main objects of the Company as set out in Clause III of the Memorandum of Association are as follows:

"1. to carry on the business of chemists, druggists, chemical manufacturers and dealers, dry salters, importers and manufactures of and dealers in all kinds of medicines, drugs, pharmaceutical, medicinal, chemical, industrial and other preparations and articles and makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus and materials.

8. to buy, manufacture, refine, sell or otherwise deal in salts of all varieties and minerals and acids, alkaloids, sulphates of all kinds, alums, alkalies, medical products and chemical products;

12A. To carry on and undertake the business involving all types of financial and investment activities, including but not restricted to the business of finance, infrastructure financing, financing the development, operation and / or maintenance of infrastructure projects and facilities or businesses in the infrastructure sector, financing the establishment, growth and/or development of various kinds of institutions including commercial, industrial, educational and charitable institutions, industrial finance and financing of industrial enterprises, financing acquisition of bodies corporate, shares and/or other securities, real estate financing including finance for acquiring, developing, constructing, selling, renting, leasing, trading or otherwise dealing in all kinds of immovable property, and / or to carry on and undertake the business of an investment company, including without limitation, to undertake investment counseling, portfolio management, hire purchase business, leasing business, financing of hire purchase or deferred payment or similar transactions, financing sale and maintenance of goods, articles or commodities, and to undertake activities capable of being provided by non-banking finance companies, stock brokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, consultants and to provide other financial or related services, including financial and investment consultancy services and to invest and manage capital and other moneys received by the Company by way of private equity or venture capital funding or any other funds for seed capital and/or risk capital foundation, in the purchase of shares and/or other securities issued or guaranteed by any company, corporation, government, sovereign ruler, commissioners, trusts, municipal bodies, quasi *government authorities and other undertaking of whatever nature and wherever constituted or carrying on business, whether in India or overseas and to hold and from time to time to sell, vary, dispose off or otherwise in any manner deal with the same and to establish, issue, float and manage any mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, provident, pension, gratuity and superannuation funds, and other funds or trusts and to act as administrators or managers of such funds and trusts, to act as trustees for bondholders, debenture holders and to undertake, carry on and/or provide such related or incidental activities or services as may be necessary or expedient for the purpose of carrying on or undertaking the businesses and activities covered by this clause or which may be conveniently carried on in connection with or related to such businesses and activities;"*

12D. To undertake and carry on the business of acquiring, constructing, developing, maintaining, operating, marketing, trading, advising, acting as consultants and/or otherwise dealing in and/or providing financial assistance (whether by way of loans, guarantees, investment in shares, bonds, debt instruments, quasi equity instruments, or otherwise) to all kinds of infrastructure and/or real estate projects, including without limitation, roads, highways, bridges, fly-overs, expressways, by-passes, bus and truck terminals, Inland Container Depot and Central Freight Station, subways, ports, inland waterways, rail systems, mass rapid transit system, airports, helipads, water supply projects, irrigation projects, sanitation and sewerage systems, water treatment systems, solid waste management systems, all kinds of power generation projects (whether by way of hydro, thermal, gas, diesel oil or through renewable energy sources such as solar, photo voltaic, wind mill or otherwise), including projects for supply, trading and/or distribution of power, establishing, operating and/or maintaining power plants, providing power consultancy and/or the business of developing, maintaining and operating of Special Economic Zones or Industrial Parks, all kinds of telecommunication systems, including telecommunication exchanges, satellite communication systems, telecommunication services whether basic or cellular, any facilities notified from time to time as infrastructure facility either by the State Governments and/or the Government of India or any other appropriate authority or body, development of immovable properties, real estate projects, housing projects, commercial projects, industrial projects and any other real estate projects, either individually or as joint venture with any other body corporate or other entity and to undertake, carry on and/or provide such related or incidental activities or services as may be necessary or expedient for the purpose of carrying on or undertaking the businesses and activities covered by this clause or which may be conveniently carried on in connection with or related to such businesses and activities and to carry on the business of any or all the objects covered by this clause by way of entering into an agreement with the Central Government or State Government(s) or a local authority or any other statutory body on Build-Operate-Transfer (BOT) or on Build-Own-Operate-Transfer (BOOT) basis, Build-Own-Lease-Transfer (BOLT) scheme or on such other schemes or basis as may be notified by such authorities."

(b) ***Details of change of name, registered office and objects of the Company during the last five years***

(A) Change of Name: There is no change of name during the last five years.

(B) Change of Registered Office: The registered office of the Company has changed to Piramal Ananta, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400070 from Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 with effect from November 6, 2017.

(C) Change of objects: There has been no change in objects clause during last five years.

(c) ***Details of the capital structure of the Company including authorised, issued, subscribed and paid up share capital***

(A) The share capital structure of the Company as on March 31, 2022 is as under:

Particulars	Amount (INR)
Authorized Share Capital	
40,00,00,000 equity shares of face value of INR 2 each	80,00,00,000
30,00,000 preference shares of face value of INR 100 each	30,00,00,000
2,40,00,000 preference shares of face value of INR 10 each	24,00,00,000
10,50,00,000 unclassified shares of face value of INR 2 each	21,00,00,000
TOTAL	**155,00,00,000**
Issued Share Capital*	
23,86,88,273 equity shares of face value of INR 2 each	47,73,76,546
TOTAL	**47,73,76,546**
Subscribed and Paid-up Share Capital*	
23,86,63,700 equity shares of face value of INR 2 each	47,73,27,400
TOTAL	**47,73,27,400**

(B) The expected post-Scheme capital structure of the Company will be as follows:

Particulars	Amount (INR)
Authorized Share Capital	
2540,00,00,000 equity shares of INR 2 each	5080,00,00,000
30,00,000 preference shares of INR 100 each	30,00,00,000
2,40,00,000 preference shares of face value of INR 10 each	24,00,00,000
10,50,00,000 unclassified shares of face value of INR 2 each	21,00,00,000
TOTAL	**5155,00,00,000**
Issued Share Capital*	
23,86,88,273 equity shares of INR 2 each fully paid up	47,73,76,546
TOTAL	**47,73,76,546**
Subscribed and Paid-up Share Capital*	
23,86,63,700 equity shares of INR 2 each fully paid up	47,73,27,400
TOTAL	**47,73,27,400**

**There is a difference of 24,573 equity shares in issued and paid-up capital of the Company due to equity shares kept in abeyance, under Rights Issue of the Company in February, 2018.*

(d) ***Details of the promoters and directors of the Company along with their addresses:***

(A) The details of the promoters of the Company are as follows:

Sr. No.	Name of promoter	Address
Promoter		
1.	Mr. Ajay G. Piramal	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai - 400018
Promoter Group		
2.	Dr. (Mrs.) Swati A. Piramal	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai - 400018
3.	Mr. Anand Piramal	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai - 400018

Sr. No.	Name of promoter	Address
4.	Ms. Nandini Piramal	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai - 400018
5.	Mrs. Lalita G. Piramal	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
6.	Mr. Peter DeYoung	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai - 400018
7.	Ms. Anya Piramal DeYoung	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road,Worli, Worli Sea Face, Mumbai - 400018
8.	Master Dev Piramal DeYoung	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road,Worli, Worli Sea Face, Mumbai - 400018
9.	Mr. Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
10.	PRL Realtors LLP	8th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
11.	The Ajay G Piramal Foundation	320, Tower B, DLF Tower, Jasola, New Delhi - 110 025
12.	V3 Designs LLP	8th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
13.	Anand Piramal Trust	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
14.	Nandini Piramal Trust	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
15.	AASAN Corporate Solutions Pvt. Ltd.	4th Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
16.	Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust)	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013
17.	The Sri Krishna Trust through its Trustee Mr. Ajay G Piramal and Dr. (Mrs.) Swati A Piramal	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013

Note: Details of the persons / entities of the promoter group who are holding shares of the Company are provided.

(B) The details of the directors of the Company are as follows:

Sr. No.	Name of director	Designation	Address
1.	Mr. Ajay G. Piramal	Chairman	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
2.	Dr. (Mrs.) Swati A. Piramal	Vice-Chairperson	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
3.	Ms. Nandini Piramal	Executive Director	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
4.	Mr. Khushru Jijina	Executive Director	6401, Tower B, Omkar 1973, Pandurang Budhkar Marg, Near Doordarshan, Off. Annie Besant Road, Worli, Mumbai – 400030
5.	Mr. Anand Piramal	Non-Executive Director	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
6.	Mr. Vijay Shah	Non-Executive Director	A-2301, Lodha Altamount, Altamount Road, Mumbai – 400026

Sr. No.	Name of director	Designation	Address
7.	Ms. Shikha Sharma	Non-Executive Director	4402 South Tower, The Imperial, BB Nakashe Marg, Tardeo, Mumbai - 400034
8.	Mr. N. Vaghul	Independent Director	Flat No 1A, Bona Ventura, 39 South Canal Bank Road, Mandavellipakkam R. A. Puram, Chennai - 600 028
9.	Mr. S. Ramadorai	Independent Director	Flat No. 1, Wyoming, Little Gibbs Road, Malabar Hill, Mumbai – 400006
10.	Mr. Suhail A. Nathani	Independent Director	801, Prabhu Kutir, 15 Altamount Road, Mumbai - 400026
11.	Mr. Kunal Bahl	Independent Director	H No. 1, Road No. 41, Punjabi Bagh West, Delhi- 110026
12.	Ms. Anjali Bansal	Independent Director	3202, A-wing, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai- 400011
13.	Mr. Puneet Dalmia	Independent Director	18, Golf Links, New Delhi-110003
14.	Ms. Anita George	Independent Director	4/5 Shanti Niketan, Delhi -110021
15.	Mr. Rajiv Mehrishi	Independent Director	A-41, Tilak Nagar, Jaipur - 302004

Note: The directors of the Company may change as per business and regulatory requirements.

(e) ***The date of the board meeting of the Company at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:***

The board of directors of the Company approved the Scheme at their meeting dated October 7, 2021. Details of the manner in which the directors of the Company voted at this meeting are as follows:

Sr. No.	Name of director	Voted in favor/ against/ abstained
1.	Mr. Ajay G. Piramal	In favour
2.	Dr. (Mrs.) Swati A. Piramal	In favour
3.	Mr. Anand Piramal	In favour
4.	Ms. Nandini Piramal	In favour
5.	Mr. Khushru Jijina	In favour
6.	Mr. Rajesh Laddha*	In favour
7.	Mr. N. Vaghul	In favour
8.	Mr. Kunal Bahl	In favour
9.	Mr. Gautam Banerjee*	In favour
10.	Ms. Anjali Bansal	In favour
11.	Mr. Suhail Nathani	In favour
12.	Mr. S. Ramadorai	In favour

Note:

1. *Leave of absence was granted to Mr. Vijay Shah for the above Board Meeting.*
2. *Mr. Puneet Dalmia, Ms. Anita George, Ms. Shikha Sharma and Mr. Rajiv Mehrishi were not Directors of the Company as on the date of the above Board Meeting.*

**Mr. Rajesh Laddha and Mr. Gautam Banerjee have ceased to be Directors of the Company with effect from February 10, 2022 and March 31, 2022, respectively.*

(f) As on April 30, 2022, the Company had 522 (five hundred and twenty two) unsecured creditors and amount due to such unsecured creditors is INR 2733,30,02,556 (Rupees two thousand seven hundred thirty three crores thirty lakhs two thousand five hundred fifty six only).

(g) None of the directors, the Key Managerial Personnel (as defined under the Act) of Company and their respective Relatives (as defined under the Act) have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Company, PPL, CCPL, HPPL and PFPL (as applicable), if any, and/or to the extent the said directors / Key Managerial Personnel are common directors of the Company, PPL, CCPL, HPPL and PFPL (as applicable), if any. The effect of the Scheme on the material interests of the directors and Key Managerial Personnel of the Company and their respective Relatives, is not any different from the effect on other shareholders of the Company. The details of the shareholding of the directors and Key Managerial Personnel of the Company as on date of notice is as follows:

Sr. No.	Name	Designation	No. of shares held in the Company	No. of shares held in PPL	No. of shares held in CCPL	No. of shares held in HPPL	No. of shares held in PFPL
1.	Mr. Ajay G. Piramal	Chairman	1,23,296	Nil	Nil	Nil	380#
2.	Dr. (Mrs.) Swati A. Piramal	Vice-Chairperson	2,100	Nil	Nil	Nil	Nil
3.	Ms. Nandini Piramal	Executive Director	45,487	11*	Nil	Nil	Nil
4.	Mr. Khushru Jijina	Executive Director	2,35,513	Nil	Nil	Nil	380#
5.	Mr. Anand Piramal	Non-Executive Director	1,97,097	Nil	Nil	Nil	Nil
6.	Mr. Vijay Shah	Non-Executive Director	1,42,056	Nil	Nil	Nil	Nil
7.	Ms. Shikha Sharma	Non-Executive Director	Nil	Nil	Nil	Nil	Nil
8.	Mr. N. Vaghul	Independent Director	11,816	Nil	Nil	Nil	Nil
9.	Mr. S. Ramadorai	Independent Director	6,002	Nil	Nil	Nil	Nil
10.	Mr. Suhail A. Nathani	Independent Director	5,000	Nil	Nil	Nil	Nil
11.	Mr. Kunal Bahl	Independent Director	Nil	Nil	Nil	Nil	Nil
12.	Ms. Anjali Bansal	Independent Director	Nil	Nil	Nil	Nil	Nil
13.	Mr. Puneet Dalmia	Independent Director	Nil	Nil	Nil	Nil	Nil
14.	Ms. Anita George	Independent Director	Nil	Nil	Nil	Nil	Nil
15.	Mr. Rajiv Mehrishi	Independent Director	Nil	Nil	Nil	Nil	Nil
16.	Mr. Vivek Valsaraj	Chief Financial Officer	21,178	Nil	Nil	Nil	Nil
17.	Mr. Bipin Singh	Company Secretary	Nil	11*	1^	1^	Nil

#Holding shares jointly with the Company

**Holding shares as nominee of the Company*

^ Holding shares as nominee of PPL

Note: The directors of the Company may change as per business and regulatory requirements.

(h) **Disclosure about the effect of the Scheme on the various stakeholders of the Company:**

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel/directors of the Company has been set out in the report adopted by the Board of Directors of Company pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel/ Director	
5.	Creditors	All debts, duties, obligations, and liabilities (including contingent liabilities) of PEL forming part of the Demerged Undertaking shall be and stand transferred to PPL to the extent that they are outstanding as on the Effective Date and shall become the debts, duties, obligations, and liabilities of PPL. No compromise is proposed with the creditors (including debenture holders) of PEL nor any of their liability is proposed to be reduced or extinguished under the Scheme.
6.	Depositors	Not applicable.
7.	Debenture holders	The rights of the debenture-holders shall not be affected by the Scheme. The liability of PEL towards the debenture-holders is neither being reduced nor being extinguished under the Scheme.
8.	Debenture trustee	The debenture trustee(s) appointed for the secured debenture holders shall continue to remain the debenture trustee(s) and shall not be affected by the Scheme.
9.	Employees	Upon the Scheme coming into effect, all Demerger Transferred Employees (*as defined in the Scheme*) of the Company shall be deemed to have become employees of PPL with effect from the Appointed Date *(as defined in the Scheme*) or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PPL shall not be less favourable than those applicable to them with reference to their employment in the Company on the Effective Date (*as defined in the Scheme*). The other employees of the Company shall continue on the rolls of the Company as per the terms and conditions of their employment.

(i) There are no investigation or proceedings instituted or pending against the Company under the Act (as per Rule 6(3)(viii) of the Merger Rules). Other litigations/proceedings which have been filed against the Company, its promoters and directors in relation to the business of the Company in the usual course of business/ operations of the Company are set out in **Annexure 8**.

(iv) Other Particulars of the Companies as per Rule 6(3) of the Merger Rules:

Piramal Pharma Limited

(a) ***Summary of the main objects as per the memorandum of association and main business carried on by PPL:***

(A) The main objects of PPL as set out in Clause 3 (a) of the Memorandum of Association are as follows:

"1. *To carry on the business of chemists, druggists, chemical manufactures and dealers, dry salters, importers and manufactures of and dealers in all kinds of medicines, drugs, pharmaceutical, medicinal, chemical, industrial and other preparations and articles and makers of and dealers in proprietary* *articles of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus and materials;*

2. *To manufacture, buy, sell and deal in mineral waters, wines, cordials, liqueurs, soups, broths and other restoratives or food, specially suitable or deemed to be suitable for invalids and convalescents;*

3. *To carry on business as manufactures of and dealers in all kinds of toilet requisites, perfumes, collectors of flowers and perfume- producing vegetation;*

4. *To carry on business as growers and shippers of wines and spirits and of wine and spirit producers, dealers and merchants;*

5. *To carry on business of manufacturers and producers of and dealers in fats, fertilisers, manures, dips, sprays, vermifuges, fungicides, medicines and remedies of all kinds of agricultural, fruit-growing or other purpose or as remedies for men and animals and whether produced from vegetable or animal matter or by any chemical process;*

6. i) *To manufacture, buy, sell and deal in:*

   a. *anatomical, orthopedic and surgical appliances and instruments of all kinds;*

   b. *all kinds of oils and oleaginous and saponaceous substance and all kinds of unguents and ingredients;*

   c. *soap and toilet and perfumery articles of all kinds;*

   d. *articles of furniture useful to physicians, surgeons and patients;*

   e. *rubber goods whatsoever;*

   f. *artificial eyes and other organs and limbs; and*

   ii) *generally to carry on all or any of the businesses of corset makers, bondage maker, crutch, chair and stretcher makers, ambulance makers and manufactures of mineral waters, cordials, aerated waters and restoratives or foods specially suitable for invalids and convalescents; and*

   iii) *to carry on the business of providers of all requisites for hospitals, patients and invalids;*

7. *To carry on business as manufacturers and dealers in plants, machines, machinery, vessels, syphons, filters, bottles, boxes, cases, apparatus, appliances and receptacles of all kinds for manufacturing, improving, treating, preserving, refining, aerating, mineralising, bottling and discharging any liquids, or otherwise dealing with any manufactured product or thing;*

8. *To buy, manufacture, refine, sell or otherwise deal in salts of all varieties and minerals and acids, alkaloids, sulphates of all kinds, alums, alkalies, medical products and chemical products;*

9. *To manufacture, export, import, buy and sell, produce and deal in paints and varnishes of all kinds and to buy, sell or deal in oils, fats, dyes and other raw materials necessary for the manufacture thereof and to manufacture and sell all kinds of finishing coating materials, industrial finishing materials, oils, boiled and treated oils, varnishes, lithographic varnishes, insulating varnishes, paints, enamels, nitro-cellulose, enamels and lacquers, finishing and coating materials, printing inks and accessory compounds, synthetic resins and oils, stains and colourings, and organic pigments, etc. drying agents, putties;*

10. *To manufacture, refine, manipulate, import, export and deal in salts and marine minerals and their derivatives, by-products and compounds, of any nature and kind whatsoever*

(b) ***Details of change of name, registered office and objects of PPL during the last five years:***

(A) Change of Name: PPL having been incorporated on March 4, 2020, has been in existence for less than five years and there has been no change in name since its incorporation.

(B) Change of Registered Office: PPL having been incorporated on March 4, 2020, has been in existence for less than five years and there has been no change of registered address since its incorporation.

(C) Change of objects: PPL having been incorporated on March 4, 2020, has been in existence for less than five years and there has been no change in objects clause of PPL since its incorporation.

(c) ***Details of the capital structure of PPL including authorised, issued, subscribed and paid up share capital***

(A) **The share capital structure of PPL as on March 31, 2022 is as under:**

Particulars	Amount (INR)
Authorized Share Capital	
150,00,00,000 equity shares of face value of INR 10 each	1500,00,00,000
10,00,00,000 compulsorily convertible preference shares of face value of INR 10 each	100,00,00,000
TOTAL	**1600,00,00,000**
Issued Share Capital	
118,59,13,506 equity shares of face value of INR 10 each fully paid	1185,91,35,060
TOTAL	**1185,91,35,060**
Subscribed and Paid-up Share Capital	
118,59,13,506 equity shares of face value of INR 10 each fully paid	1185,91,35,060
TOTAL	**1185,91,35,060**

(B) **Post Scheme Capital Structure:**

Particulars	Amount (INR)
Authorized Share Capital	
262,90,00,000 equity shares of INR 10 each	2629,00,00,000
35,00,00,000 compulsorily convertible preference shares of INR 10 each	350,00,00,000
2,10,00,000 unclassified shares of INR 10 each	21,00,00,000
TOTAL	**3000,00,00,000**
Issued Share Capital	
119,33,18,500 equity shares of INR 10 each fully paid up	1193,31,85,000
TOTAL	**1193,31,85,000**
Subscribed and Paid-up Share Capital	
1193,31,85,000 equity shares of INR 10 each fully paid up	1193,31,85,000
TOTAL	**1193,31,85,000**

(d) ***Details of the promoters and directors of PPL along with their addresses:***

(A) The details of the promoters of PPL are as follows:

Sr. No.	Name of promoter	Address
1.	Piramal Enterprises Limited*	Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashra – 400 070

*Includes shares held by nominee shareholders.

(B) The details of the directors of PPL are as follows:

Sr. No.	Name of director	Designation	Address
1.	Ms. Nandini Piramal	Chairperson	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai- 400018
2.	Mr. Peter DeYoung	Executive Director	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai- 400018
3.	Mr. Vivek Valsaraj	Executive Director and Chief Financial Officer	Flat No.C -1403/04, 14th Floor, Tribeca Building, Hiranandani Estate, Ghodbunder Road, Patalipada, Thane (West) - 400607, Maharashtra
4.	Mr. Neeraj Bharadwaj	Non- Executive Director	A-187, New Friends Colony, South Delhi, New Delhi 110065
5.	Mr. S. Ramadorai	Independent Director	Flat No. 1, Wyoming, Little Gibbs Road, Malabar Hill, Mumbai – 400006
6.	Mr. Jairaj Purandare	Independent Director	1, Lalit, 37, Nathanlal Parekh Marg, Mumbai 400001
7.	Mr. Peter Stevenson	Independent Director	2200 North Ocean Blvd, Unit S-1001 Fort Lauderdale, FL 33305, USA
8.	Mr. Sridhar Gorthi	Independent Director	1002, 10th Floor, June Blossoms, Manuel Gonsalves Road, Near Saint Peters Church, Bandra (West), Mumbai - 400050
9.	Ms. Nathalie Leitch	Non-Executive Director	1110 Hudson St., 5N, Hoboken, NJ 07030

Note: The directors of PPL may change as per business and regulatory requirements.

(e) ***The date of the board meeting of PPL at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not or participate on such resolution:***

The board of directors of PPL approved the Scheme at their meeting dated October 7, 2021. Details of the manner in which the directors of PPL voted at this meeting are as follows:

Sr. No.	Name of director	Voted in favor/ against/ abstained
1.	Ms. Nandini Piramal	In favour
2.	Mr. Peter DeYoung	In favour
3.	Mr. Rajesh Laddha*	In favour
4.	Mr. S. Ramadorai	In favour
5.	Mr. Jairaj Purandare	In favour

Note:

1. *Leave of absence was granted to Mr. Neeraj Bharadwaj for the above Board Meeting.*
2. *Mr. Peter Stevenson, Mr. Sridhar Gorthi, Ms. Nathalie Leitch and Mr. Vivek Valsaraj were not Directors of PPL as on the date of the above Board Meeting.*

**Mr. Rajesh Laddha has ceased to be Director of PPL with effect from February 8, 2022*

(f) As on February 28, 2022, PPL had 2,007 (two thousand and seven) unsecured creditors to whom dues of INR 251,89,64,982 (Rupees two hundred fifty one crores eighty nine lakhs sixty four thousand nine hundred eighty two only) are owed.

(g) None of the Directors, the Key Managerial Personnel of PPL and their respective Relatives have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Company, PPL, CCPL, HPPL and PFPL (as applicable), if any, and/or to the extent the said directors / Key Managerial Personnel are common directors of the Company, PPL, CCPL, HPPL and PFPL (as applicable). The effect of the Scheme on the material interests of the directors and Key Managerial Personnel of PPL and their respective Relatives, is not any different from the effect on other shareholders of PPL. The details of the shareholding of directors and Key Managerial Personnel of PPL as on date of Notice is as follows:

Sr. No.	Name	Designation	No. of shares held in the Company	No. of shares held in PPL	No. of shares held in CCPL	No. of shares held in HPPL	No. of shares held in PFPL
1.	Ms. Nandini Piramal	Chairperson	45,487	11*	Nil	Nil	Nil
2.	Mr. Peter DeYoung	Executive Director	1,08,000	11*	Nil	Nil	Nil
3.	Mr. Vivek Valsaraj	Executive Director and Chief Financial Officer	21,178	11*	Nil	Nil	Nil
4.	Mr. Neeraj Bharadwaj	Non- Executive Director	Nil	Nil	Nil	Nil	Nil
5.	Mr. S. Ramadorai	Independent Director	6,002	Nil	Nil	Nil	Nil
6.	Mr. Jairaj Purandare	Independent Director	Nil	Nil	Nil	Nil	Nil
7.	Mr. Peter Stevenson	Independent Director	Nil	Nil	Nil	Nil	Nil
8.	Mr. Sridhar Gorthi	Independent Director	Nil	Nil	Nil	Nil	Nil
9.	Ms. Nathalie Leitch	Non-Execuitve Director	Nil	Nil	Nil	Nil	Nil
10.	Ms. Tanya Sanish	Company Secretary	1	11*	Nil	Nil	Nil

** Holding shares as nominees of the Company.*

Note: The directors of PPL may change as per business and regulatory requirements.

(h) **Disclosure about effect of the Scheme on the various stakeholders of PPL:**

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel/ directors of PPL is given in the report adopted by the Board of Directors of PPL pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel/ Directors	
5.	Creditors	Upon the coming into effect of the Scheme, all debts, duties, obligations, and liabilities (including contingent liabilities) of PEL forming part of the Demerged Undertaking shall be and stand transferred to PPL to the extent that they are outstanding as on the Effective Date and shall become the debts, duties, obligations, and liabilities of PPL. Upon the coming into effect of the Scheme, all liabilities of CCPL and HPPL ("**Amalgamating Pharma Companies**"), shall become the liabilities of PPL. Under the Scheme, neither any compromise is proposed with the creditors of PPL nor any liability of the creditors of PPL is proposed to be reduced or extinguished under the Scheme. The Scheme does not contemplate any variation in the rights of the creditors of PPL in any manner whatsoever.

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
6.	Depositors	Not applicable.
7.	Debenture Holders	The rights of the debenture-holders shall not be affected by the Scheme. The liability of PPL towards the debenture-holders is neither being reduced nor being extinguished under the Scheme.
8.	Debenture Trustee	The debenture trustee(s) appointed for the secured debenture holders shall continue to remain the debenture trustee(s) and shall not be affected by the Scheme.
9.	Employees	The employees of PPL shall continue on the rolls of PPL as per the terms and conditions of their employment.

(i) No investigation or proceedings have been instituted or are pending against PPL under the Act.

Convergence Chemicals Private Limited

(a) ***Summary of the main objects as per the memorandum of association and main business carried on by CCPL:***

(A) The main objects of CCPL as set out in Clause III A of the Memorandum of Association is as follows:

"To carry on the business of manufacturers, importers, exporters of and dealers in all kinds of medicines, drugs, healthcare products, imaging products, diagnostic products, pharmaceuticals, medicinal, chemical, industrial and other preparations and articles including their intermediaries and makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus, appliances and materials, for human use and animal use or for research and development purposes."

(b) ***Details of change of name, registered office and objects of CCPL during the last five years:***

(A) Change of Name: There is no change of name during last five years.

(B) Change of Registered Office: The registered office of CCPL was shifted from the state of Gujarat to the state of Maharashtra pursuant to Board approval accorded on October 7, 2021. Corresponding order of Regional Director approving change in address was registered with the Registrar of Companies, Maharashtra on December 17, 2021. The registered office of CCPL is currently at Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla West, Mumbai, Maharashtra – 400070.

(C) Change of objects: There has been no change in objects clause of CCPL during last 5 years.

(c) ***Details of the capital structure of CCPL including authorised, issued, subscribed and paid up share capital***

(A) The share capital structure of CCPL as on March 31, 2022 is as under:

Particulars	Amount (INR)
Authorized Share Capital	
8,50,00,000 equity shares of face value of INR 10 each	85,00,00,000
TOTAL	**85,00,00,000**
Issued Share Capital	
7,00,10,000 equity shares of face value of INR 10 each fully paid	70,01,00,000
TOTAL	**70,01,00,000**
Subscribed and Paid-up Share Capital	
7,00,10,000 equity shares of face value of INR 10 each fully paid	70,01,00,000
TOTAL	**70,01,00,000**

(B) Post Scheme Capital Structure:

Upon the coming into effect of the Scheme, CCPL shall stand dissolved without winding up and the equity shares of CCPL shall stand cancelled without any further act or deed.

(d) ***Details of the promoters and directors of CCPL along with their addresses:***

(A) The details of the promoters of CCPL are as follows:

Sr. No.	Name of promoter	Address
1.	Piramal Pharma Limited*	Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400070.

**Includes shares hold by nominee shareholder*

(B) The details of the directors of CCPL are as follows:

Sr. No.	Name of director	Designation	Address
1.	Mr. Vivek Valsaraj	Non-Executive Director	Flat No.C -1403/04, 14th Floor, Tribeca Building, Hiranandani Estate, Ghodbunder Road, Patalipada, Thane (West) - 400607, Maharashtra
2.	Mr. Surinder Gulati	Non-Executive Director	Flat No - 2102, Signia Oceans, Plot No -7 and 8, Sector-10 A, Near D-Mart, Airoli, Navi Mumbai, Thane - 400708, Maharashtra

Note: The directors of CCPL may change as per business and regulatory requirements.

(e) ***The date of the board meeting of CCPL at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not or participate on such resolution:***

The board of directors of CCPL approved the Scheme at their meeting dated October 7, 2021. Details of the manner in which the directors of CCPL voted at this meeting are as follows:

Sr. No.	Name of director	Voted in favor/ against/ abstained
1.	Mr. Vivek Valsaraj	In Favour
2.	Mr. Surinder Gulati	In Favour

(f) As on February 28, 2022, CCPL had 209 (two hundred and nine) unsecured creditors to whom dues of INR 26,68,01,409 (Rupees twenty six crores sixty eight lakhs one thousand four hundred and nine only) are owed.

(g) None of the Directors, the Key Managerial Personnel of CCPL and their respective Relatives have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Company, PPL, CCPL, HPPL and PFPL (as applicable), if any, and/or to the extent the said directors / Key Managerial Personnel are common directors of the Company, PPL, CCPL, HPPL and PFPL (as applicable). The effect of the Scheme on the material interests of the directors and Key Managerial Personnel of CCPL and their respective Relatives, is not any different from the effect on other shareholders of CCPL. The details of the shareholding of directors and Key Managerial Personnel of CCPL as on date of Notice is as follows:

Sr. No.	Name	Designation	No. of shares held in the Company	No. of shares held in PPL	No. of shares held in CCPL	No. of shares held in HPPL	No. of shares held in PFPL
1.	Mr. Vivek Valsaraj	Non-Executive Director	21,178	11*	Nil	Nil	Nil
2.	Mr. Surinder Gulati	Non-Executive Director	Nil	Nil	Nil	Nil	Nil
3.	Mr. Saket Guha	Manager	Nil	Nil	Nil	Nil	Nil
4.	Mr. Divya Taldar	Chief Financial Officer	Nil	Nil	Nil	Nil	Nil
5.	Ms. Akshita Jain	Company Secretary	Nil	Nil	Nil	Nil	Nil

** Holding shares as a nominee of the Company*

Note: The directors of CCPL may change as per business and regulatory requirements.

(h) **Disclosure about effect of the Scheme on the various stakeholders of CCPL:**

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel/directors of CCPL is given in the report adopted by the Board of Directors of CCPL pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel/ Directors	
5.	Creditors	Upon the Scheme becoming effective, all liabilities of CCPL shall become the liabilities of PPL. Under the Scheme, neither any compromise is proposed with the creditors of CCPL nor any liability of the creditors of PPL is proposed to be reduced or extinguished under the Scheme. The Scheme does not contemplate any variation in the rights of the creditors of CCPL in any manner whatsoever.
6.	Depositors	Not applicable.
7.	Debenture Holders	
8.	Debenture Trustee	
9.	Employees	Upon the Scheme becoming effective, all employees of CCPL shall be deemed to have become employees of PPL with effect from the Appointed Date (*as defined in the Scheme*) or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PPL shall not be less favourable than those applicable to them with reference to their employment in CCPL on the Effective Date (*as defined in the Scheme*).

(i) No investigation or proceedings have been instituted or are pending against CCPL under the Act.

Hemmo Pharmaceuticals Private Limited

(a) ***Summary of the main objects as per the memorandum of association and main business carried on by HPPL:***

(A) The main objects of HPPL as set out in Clause III A of the Memorandum of Association is as follows:

"To carry on the business of manufacturers, buyers, sellers, researchers, dealers, traders, exporters, importers, processor, indenters, commission agents, transporters, distributors in all types of drugs, pharmaceuticals, formulations, intermediaries, derivatives, oils, chemicals, diagnostic kits, reagents."

(b) ***Details of change of name, registered office and objects of HPPL during the last five years:***

(A) Change of Name: There is no change of name during last five years.

(B) Change of Registered Office: There has been no change in registered office of HPPL during the last five years.

(C) Change of objects: The objects of HPPL were amended pursuant to the special resolution passed by the members of HPPL, at the Extra-Ordinary General Meeting of HPPL convened on December 8, 2017. In relation to clause no. 10, the words "demerger, hive off" were inserted. Further, HPPL deleted the section titled "Other Objects" containing clause nos. 35 to 53, and inserted a new clause as clause no. 35 as follows: "To establish and maintain laboratories and to undertake clinical and research work in all kinds of ayurvedic, allopathic, homeopathic and in all branches there under medicines, ethical medicines, pharmaceuticals, medicinal, bulk drugs, chemicals and chemical intermediates, patent and proprietary, medicines, immunological medicines, paramedical, contraceptives, vaccines and to prepare and analyze reports, medicinal patterns, publish medicinal notes, research paper work and undertake connected activities to main object".

Except as stated above, there has been no change in the objects of HPPL during last 5 years.

(c) ***Details of the capital structure of HPPL including authorised, issued, subscribed and paid up share capital***

(A) The share capital structure of HPPL as on March 31, 2022 is as under:

Particulars	Amount (INR)
Authorized Share Capital	
50,000 equity shares of face value of INR 100 each	50,00,000
TOTAL	**50,00,000**
Issued Share Capital	
29,075 equity shares of face value of INR 100 each fully paid	29,07,500
TOTAL	**29,07,500**
Subscribed and Paid-up Share Capital	
29,075 equity shares of face value of INR 100 each fully paid	29,07,500
TOTAL	**29,07,500**

(B) Post Scheme Capital Structure:

Upon the coming into effect of the Scheme, HPPL shall stand dissolved without winding up and the equity shares of HPPL shall stand cancelled without any further act or deed.

(d) ***Details of the promoters and directors of HPPL along with their addresses:***

(A) The details of the promoters of HPPL are as follows:

Sr. No.	Name of promoter	Address
1.	Piramal Pharma Limited*	Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400070.

**Includes shares held by nominee shareholder.*

(B) The details of the directors of HPPL are as follows:

Sr. No.	Name of director	Designation	Address
1.	Ms. Madhu Utamsingh	Non-Executive Director	26, Sonmarg, 67-B, Nepeansea Road, Malabar Hill, Mumbai - 400006, Maharashtra
2.	Mr. Surinder Gulati	Non-Executive Director	Flat No - 2102, Signia Oceans, Plot No -7 and 8, Sector-10 A, Near D-Mart, Airoli, Navi Mumbai, Thane - 400708, Maharashtra
3.	Mr. Amit Bapat	Non-Executive Director	304, A-2 Prestige Garden CHS, Almeda Road, Near Nitin Company, Panchpakhadi, Thane (W) – 400602, Maharashtra

Note: The directors of HPPL may change as per business and regulatory requirements.

(e) ***The date of the board meeting of HPPL at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not or participate on such resolution:***

The board of directors of HPPL approved the Scheme at their meeting dated October 7, 2021. Details of the manner in which the directors of HPPL voted at this meeting are as follows:

S. No.	Name of director	Voted in favor/ against/ abstained
1.	Ms. Madhu Utamsingh	In favour
2.	Mr. Surinder Gulati	In favour
3.	Mr. Vivek Valsaraj*	In favour

Note: Mr. Amit Bapat was not Director of the HPPL as on the date of the above Board Meeting.

**Mr. Vivek Valsaraj has ceased to be Director of the HPPL with effect from November 26, 2021.*

(f) As on February 28, 2022, HPPL had 547 (five hundred forty-seven) unsecured creditors to whom dues of INR 61,98,38,801 (Rupees sixty one crore ninety eight lakh thirty eight thousand eight hundred and one only) are owed.

(g) None of the Directors, the Key Managerial Personnel of HPPL and their respective Relatives have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Company, PPL, CCPL, HPPL and PFPL (as applicable), if any, and/or to the extent the said directors / Key Managerial Personnel are common directors of the Company, PPL, CCPL, HPPL and PFPL (as applicable). The effect of the Scheme on the material interests of the directors and Key Managerial Personnel of HPPL and their respective Relatives, is not any different from the effect on other shareholders of HPPL. The details of the shareholding of directors and Key Managerial Personnel of HPPL as on date of Notice is as follows:

Sr. No.	Name	Designation	No. of shares held in the Company	No. of shares held in PPL	No. of shares held in CCPL	No. of shares held in HPPL	No. of shares held in PFPL
1.	Ms. Madhu Utamsingh	Non-Executive Director	Nil	Nil	Nil	Nil	Nil
2.	Mr. Surinder Gulati	Non-Executive Director	Nil	Nil	Nil	Nil	Nil
3.	Mr. Amit Bapat	Non-Executive Director	Nil	Nil	Nil	Nil	Nil

Note: The directors of HPPL may change as per business and regulatory requirements.

(h) ***Disclosure about effect of the Scheme on the various stakeholders of HPPL:***

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel/directors of HPPL is given in the report adopted by the Board of Directors of HPPL pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel/ Directors	

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
5.	Creditors	Upon the Scheme becoming effective, all liabilities of HPPL, shall become the liabilities of PPL. Under the Scheme, neither any compromise is proposed with the creditors of HPPL nor any liability of the creditors of PPL is proposed to be reduced or extinguished under the Scheme. The Scheme does not contemplate any variation in the rights of the creditors of HPPL in any manner whatsoever.
6.	Depositors	Not applicable.
7.	Debenture Holders	
8.	Debenture Trustee	
9.	Employees	Upon the Scheme becoming effective, all employees of HPPL shall be deemed to have become employees of PPL with effect from the Appointed Date (*as defined in the Scheme*) or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PPL shall not be less favourable than those applicable to them with reference to their employment in HPPL on the Effective Date (*as defined in the Scheme*).

(i) No investigation or proceedings have been instituted or are pending against HPPL under the Act.

PHL Fininvest Private Limited:

(a) *Summary of the main objects as per the memorandum of association and main business carried on by PFPL:*

(A) The main objects of PFPL as set out in Clause III (A) of the Memorandum of Association is as follows:

"To carry on and undertake the business involving all types of financial and/or investment services, including but not restricted to the business of real estate finance, including financing the acquisition, development, construction, selling, renting, leasing, trading or other dealings in all kinds of immovable property, the business of infrastructure finance, including financing infrastructure development or construction or financing any business within the infrastructure sector, the business of industrial finance and / or the business of an investment company and/or other financial, investment or related services and for the purposes of its businesses, to provide financial assistance whether by way of loans, guarantees, securities or other financial assistance, equity participation, equity funding or otherwise and/or to invest and manage capital and other moneys of, or received by, the Company in the acquisition of shares and/or other securities whether issued or guaranteed by any company, corporation, government, sovereign ruler, commissioners, trusts, municipal bodies, quasi government authorities or otherwise, whether in India or overseas, and to hold and from time to time to sell, vary, dispose off or otherwise in any manner deal with the same and/or to undertake financial restructuring or reorganization, investment counseling, portfolio management, hire purchase business, leasing business, financing of hire purchase or deferred payment or similar transactions, financing sale and maintenance of goods, articles or commodities, and/or to undertake activities capable of being provided by bankers, stock brokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, consultants and other similar service providers."

(b) ***Details of change of name, registered office and objects of PFPL during the last five years:***

(A) Change of Name: There has been no change in the name of PFPL during the last five years.

(B) Change of Registered Office: The registered office of PFPL has changed to 3rd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 from Piramal Tower, 8th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 on 20th March, 2019; and to 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013 from 3rd Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013 with effect from 3rd February, 2020.

(C) Change of objects: There has been no change in objects clause of PFPL during the last 5 years.

(c) ***Details of the capital structure of PFPL including authorised, issued, subscribed and paid up share capital:***

(A) The share capital structure of PFPL as on March 31, 2022 is as under:

Particulars	Amount (INR)
Authorized Share Capital	
500,00,00,000 equity shares of face value of INR 10 each	5000,00,00,000
TOTAL	**5000,00,00,000**
Issued Share Capital	
62,86,84,777 equity shares of face value of INR 10 each fully paid	628,68,47,770
TOTAL	**628,68,47,770**
Subscribed and Paid-up Share Capital	
62,86,84,777 equity shares of face value of INR 10 each fully paid	628,68,47,770
TOTAL	**628,68,47,770**

(B) Post Scheme Capital Structure:

Upon the coming into effect of the Scheme, PFPL shall stand dissolved without winding up and the equity shares of PFPL shall stand cancelled without any further act or deed.

(d) ***Details of the promoters and directors of PFPL along with their addresses:***

(A) The details of the promoters of PFPL are as follows:

Sr. No.	Name of promoter	Address
1.	Piramal Enterprises Limited*	Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashra – 400 070

** PEL is the Promoter of the PFPL holding 100% of the equity shares of PFPL along with its joint shareholders.*

(B) The details of the directors of PFPL are as follows:

Sr. No.	Name of director	Designation	Address
1.	Mr. Khushru B. Jijina	Managing Director	6401, Tower B, Omkar 1973, Pandurang Budhkar Marg, Near Doordarshan, Off. Annie Besant Road, Worli, Mumbai – 400 030
2.	Dr. (Mrs.) Swati A. Piramal	Non-Executive Director	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
3.	Mr. Narayanan Vaghul	Independent Director	Flat No 1A, Bona Ventura, 39 South Canal Bank Road, Mandavellipakkam R. A. Puram, Chennai - 600 028
4.	Mr. Gautam B. Doshi	Independent Director	C-191, Grand Paradi, August Kranti Marg, Kemps Corner, Mumbai 400036

Note: The directors of PFPL may change as per business and regulatory requirements.

(e) ***The date of the board meeting of PFPL at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:***

The board of directors of PFPL approved the Scheme at their meeting dated October 7, 2021. Details of the manner in which the directors of PFPL voted at this meeting are as follows:

Sr. No.	Name of director	Voted in favor/ against/ abstained
1.	Mr. Khushru B. Jijina	In favour
2.	Dr. (Mrs.) Swati A. Piramal	In favour
3.	Mr. Narayanan Vaghul	In favour
4.	Mr. Gautam B. Doshi	In favour

Note: Leave of absence was granted to Mr. Vijay Shah for the above Board Meeting. Further he ceased to be Director of PFPL with effect from 14th March, 2022.

(f) As on February 28, 2022, PFPL has 19 (nineteen) unsecured creditors and amount due to such unsecured creditors is INR 3803,07,51,197 (Rupees three thousand eight hundred and three crore seven lakh fifty one thousand one hundred and ninety seven only).

(g) None of the Directors, the Key Managerial Personnel of PFPL and their respective Relatives have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Company, PPL, CCPL, HPPL and PFPL (as applicable), if any, and/or to the extent the said directors / Key Managerial Personnel are common directors of the Company, PPL, CCPL, HPPL and PFPL (as applicable). The effect of the Scheme on the material interests of the directors and Key Managerial Personnel of PFPL and their respective Relatives, is not any different from the effect on other shareholders of PFPL. The details of the shareholding of directors and Key Managerial Personnel of PFPL as on the date of Notice is as follows:

Sr. No.	Name	Designation	No. of shares held in the Company	No. of shares held in PPL	No. of shares held in CCPL	No. of shares held in HPPL	No. of shares held in PFPL
1.	Mr. Khushru B. Jijina	Managing Director	2,35,513	Nil	Nil	Nil	380*
2.	Dr. (Mrs.) Swati A. Piramal	Non Executive Director	2,100	Nil	Nil	Nil	Nil
3.	Mr. Narayanan Vaghul	Independent Director	11,816	Nil	Nil	Nil	Nil
4.	Mr. Gautam B. Doshi	Independent Director	6,949	Nil	Nil	Nil	Nil
5.	Mr. Devesh Choudhari	Chief Financial Officer	36	Nil	Nil	Nil	Nil
6.	Ms. Namrata Sajnani	Company Secretary	Nil	Nil	Nil	Nil	Nil

**Holding shares jointly with the Company*

Note: The directors of PFPL may change as per business and regulatory requirements.

(h) **Disclosure about the effect of the Scheme on the following persons:**

Sr. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters, non-promoter shareholders, and key managerial personnel/directors of PFPL is given in the report adopted by the Board of Directors of PFPL pursuant to the provisions of Section 232(2)(c) of the Act which is attached as **Annexure 2** to this Statement.
2.	Promoter(s)	
3.	Non-Promoter Shareholders	
4.	Key Managerial Personnel/ Directors	
5.	Creditors	Upon the Scheme becoming effective, all liabilities of PFPL, shall become the liabilities of the Company. Under the Scheme, neither any compromise is proposed with the creditors of PFPL nor any liability of the creditors of PFPL is proposed to be reduced or extinguished under the Scheme. The Scheme does not contemplate any variation in the rights of the creditors of PFPL in any manner whatsoever
6.	Depositors	Not applicable.
7.	Debenture Holders	The rights of the debenture-holders shall not be affected by the Scheme. The liability of PFPL towards the debenture-holders is neither being reduced nor being extinguished under the Scheme.
8.	Debenture Trustee	Not applicable.
9.	Employees	Upon the Scheme becoming effective, all employees of PFPL shall be deemed to have become employees of the Company with effect from the Appointed Date (*as defined in the Scheme*) or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Company shall not be less favourable than those applicable to them with reference to their employment in PFPL on the Effective Date (*as defined in the Scheme*).

(i) No investigation or proceedings have been instituted or are pending against PFPL under the Act.

(v) Other details regarding the Scheme required as per Rule 6(3) of the Merger Rules

(a) ***Relationship between the Companies:***

As on the date of approval of the Scheme by the Boards of the Companies, the Company along with its nominees hold 79.8751% of the issued equity share capital of PPL.

PFPL being a wholly owned subsidiary of the Company, the Company and its joint shareholders hold 100% of the issued equity share capital of PFPL.

CCPL and HPPL being wholly owned subsidiaries of PPL, PPL and its nominees hold 100% of the issued equity share capital of CCPL and HPPL.

The Boards of the Companies have common directors. Details of directorship of each of the Companies is provided above.

(b) ***Appointed Date, Effective Date, Demerger Record Date and Consideration for the Scheme:***

"Appointed Date" means opening of business on April 1, 2022 or such other date as the NCLT may direct/ allow.

"Effective Date" means (a) for Part C and Part D of the Scheme, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.1 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme; and (b) for Part E, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.2 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme. References in the Scheme to the "date of coming into effect of the Scheme" or "upon the Scheme becoming effective" or "effectiveness of the scheme" shall mean the effective date.

"Demerger Record Date" means a mutually agreed date to be fixed by the respective Boards of the Company and PPL for the purposes of determining the shareholders of the Company to whom equity shares of PPL would be allotted pursuant to the Demerger in accordance with Clause 19 of the Scheme.

(c) ***Consideration for the Demerger:***

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from the Company to PPL in terms of the Scheme, PPL shall issue and allot 95,46,54,800 (Ninety-Five Crores, Forty Six Lakhs, Fifty Four Thousand, Eight Hundred) equity shares to the shareholders of the Company as on the Demerger Record Date, in accordance with the Registered Valuer's Report, in the following manner:

"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL."

(d) ***Summary of the Valuation Report and Fairness Opinion:***

For the purposes of the Scheme, a report in relation to the share entitlement ratio (hereinafter referred to as "**Registered Valuer's Report**") for issuance and allotment of shares of PPL to the shareholders of the Company pursuant to and in consideration of the Demerger was issued on October 6, 2021 by Drushti Desai of Bansi S. Mehta & Co. registered with Insolvency & Bankruptcy Board of India vide Regn. No. IBBI/RV/06/2019/10666 along with its addendums dated January 25, 2022 and February 7, 2022. The Registered Valuer's Report has been enclosed as **Annexure 9**. In the Registered Valuer's Report, the valuer has understood that upon the Scheme being effective and in consideration of transfer and vesting of the Demerged Undertaking from the Company to PPL in terms of the Scheme, PPL shall issue and allot equity shares to the shareholders of the Company in accordance with the Share Entitlement Ratio. As such, PPL shall issue and allot to each shareholder of the Company, 4 (four) equity shares of INR 10 each of PPL credited as fully paid up for every 1 (one) equity share of INR 2 each held by such shareholder in the Company.

In compliance with Para (A)(2)(d) of Part I of Securities and Exchange Board of India ("**SEBI**") Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended and updated by SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Scheme Master Circular**"), a fairness opinion dated October 7, 2021 has been issued by ICICI Securities Limited, a SEBI registered Category I Merchant Banker have Regn. No. 1NM000011179 along with its addendum dated January 25, 2022 ("**Fairness Opinion**") on the share entitlement ratio as recommended in the Registered Valuer's Report. The Fairness Opinion has been enclosed as **Annexure 10**. In the Fairness Opinion, the merchant banker has stated that the fair basis of the Share Entitlement Ratio is determined after taking into consideration the mirror image of the PEL shareholding pattern and the consideration would be discharged by issue of shares by PPL, to the shareholders of PEL in the following manner:

"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL."

The recommendation of the Share Entitlement Ratio has been approved by the Audit & Risk Management Committee and Board of the Company and the board of directors of the other Companies. No new shares shall be issued or payment be made in cash or in kind, whatsoever, by PPL in connection with the Pharma Amalgamations or by the Company in connection with the FS Amalgamation.

The Registered Valuer's Report along with its addendums and Fairness Opinion along with its addendum are enclosed herewith as **Annexure 9** and **Annexure 10** respectively and also available for inspection at the website of the Company at www.piramal.com.

(e) ***Detail of capital restructuring:***

Upon the Scheme becoming effective and in consideration of the Demerger, PPL shall issue equity shares credited as fully-paid up shares in PPL to the shareholders of the Company whose names appear in the register of members of the Company on the Demerger Record Date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in Share Entitlement Ratio. The equity shares of PPL, forming part of the Demerged Undertaking of PEL shall stand cancelled and extinguished.

Pursuant to the Scheme, (i) the equity shares of each of CCPL and HPPL held by PPL and its respective nominee, shall stand cancelled and extinguished upon the Scheme coming into effect; and (ii) the equity shares of PFPL held by the Company and joint shareholders shall stand cancelled and extinguished upon the Scheme coming into effect.

On the Effective Date, each of CCPL, HPPL, and PFPL shall stand dissolved without being wound-up and without any further act or deed.

(f) ***Detail of debt restructuring:***

There shall be no debt restructuring of the Companies pursuant to the Scheme.

(g) ***Rationale and benefits of the Scheme as perceived by the board of directors of the Company:***

The Scheme is expected to have, inter-alia, the following benefits:

(A) The businesses presently undertaken by the Company (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of the Company).

(B) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and the Company continuing to focus primarily on the financial services business directly (with consolidation of the lending business across the Company and PFPL under the Company post the merger of PFPL with the Company) and indirectly (including through subsidiaries and associate companies).

(C) The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

(D) In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

(E) In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with the Company. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of the Company, will enable the consolidation of the lending business across the Company and PFPL in the Company and streamlining of the group structure in a manner that results in the creation of a single non-banking financial company ("**NBFC**") which is regulated by the Reserve Bank of India ("**RBI**"), (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

(F) In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

(h) The pre-Scheme and post-Scheme shareholding patterns of the Company, PPL, CCPL, HPPL and PFPL, as applicable, are attached as **Annexures 3** to **7** respectively.

(i) ***Details of availability of the documents for obtaining extracts from or making or obtaining copies:***

Copies of the following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members of the Company at its registered office between 11:00 a.m. to 1:00 p.m. on any day (except Saturday, Sunday and public holidays) upto one day prior to the date of the Meeting.. An advance notice should be given by e-mail to the Company at complianceofficer.pel@piramal.com, if it is desired to obtain copies of the Notice from the registered office of the Company. Alternatively, a request for obtaining an electronic/ soft copy of the Notice may be made by writing an email to complianceofficer.pel@piramal.com:

(A) Certified copy of the order passed by the NCLT in Company Application No. CA(CAA) 119/MB/2022 pronounced on May 12, 2022 directing the Companies, to convene the respective Tribunal convened meetings;

(B) Copy of the Scheme;

(C) Copies of the Memorandum of Association and Articles of Association of the Companies;

(D) Copies of the latest audited financial statements of the Companies including consolidated financial statements, wherever applicable;

(E) Copy of the Registered Valuer's Report issued on October 6, 2021 by Drushti Desai of Bansi S. Mehta & Co. along with its addendums dated January 25, 2022 and February 7, 2022;

(F) Copy of the Fairness Opinion dated October 7, 2021 issued by ICICI Securities Limited, a SEBI registered Category I Merchant Banker having Regn. No. 1NM000011179 along with its addendum dated January 25, 2022 on the share entitlement ratio as recommended in the Registered Valuer's Report;

(G) The certificates issued by the respective statutory auditors of the Companies to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;

(H) Copy of the Audit Committee Report dated October 7, 2021 of the Company;

(I) Copy of the resolution passed by the board of directors of the Companies dated October 7, 2021 approving the Scheme;

(J) Observation letters dated April 20, 2022 issued by NSE and BSE respectively to the Company; and

(K) Copy of the report adopted by the board of directors of the Companies as per the provisions of Section 232(2)(c) of the Act.

(j) ***Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the purpose of the Scheme:***

(A) Pursuant to the application dated November 15, 2021 for prior approval of the FS Amalgamation of PFPL with the Company, RBI had vide its letter dated December 13, 2021 accorded its approval for amalgamation subject to the conditions mentioned in the letter. RBI's approval is valid for six months from the date of the letter.

(B) In terms of Regulation 37 of the Listing Regulations, BSE and NSE, by their respective letters, both dated April 20, 2022, have issued their observations on the Scheme to the Company conveying their no adverse observations/no objection to the Scheme. Copy of the observation letters dated April 20, 2022 as received from BSE and NSE are enclosed as **Annexures 11** and **12**, respectively.

(C) As required by the SEBI Scheme Master Circular, the Company has filed its Complaints Reports dated December 27, 2021 and March 2, 2022 with BSE and NSE. Copies of the complaints reports of BSE and NSE filed by the Company are enclosed as **Annexure 13** and **Annexure 14**, respectively.

(D) The Scheme was filed by the Companies with the Mumbai Bench of the NCLT on April 26, 2022, and the NCLT has passed directions to convene Meeting(s) vide an Order pronounced on May 12, 2022.

The Scheme is subject to approval by the requisite majority of the shareholders, secured and unsecured creditors of the Company in terms of the applicable provisions of the Act and the Merger Rules. Further, in terms of the said provisions and the Order, NCLT has granted dispensation from holding meetings of the shareholders, secured creditors and unsecured creditors of PPL, CCPL and PFPL as well meetings of shareholders and unsecured creditors of HPPL. Since HPPL does not have any secured creditors, the question of dispensation does not arise.

(E) The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.

(k) ***Brief background and salient features of the Scheme:***

The salient features of the Scheme are as follows:

The capitalised terms used herein below, shall have the meaning ascribed to such terms in the Scheme.

The Scheme of Arrangement provides inter alia for:

(A) the transfer by way of a demerger of the Demerged Undertaking *(as defined in the Scheme)* of the Company to PPL, the consequent issue of equity shares by PPL to the shareholders of the Company in accordance with the Share Entitlement Ratio (referred to in the Scheme as Demerger). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking of the Company shall stand cancelled and extinguished.

(B) the amalgamation of CCPL and HPPL, both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder (referred to in the Scheme as Pharma Amalgamations).

(C) the amalgamation of PFPL, a wholly owned subsidiary of the Company, into the Company and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by the Company and its joint shareholders (referred to in the Scheme as FS Amalgamation).

(D) Appointed Date for the Scheme means opening of business on April 1, 2022 or such other date as the NCLT may direct/ allow.

(E) **"Effective Date"** means (a) for Part C and Part D of the Scheme, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.1 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme; and (b) for Part E, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.2 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with the Scheme. References in the Scheme to the "date of coming into effect of the Scheme" or "upon the Scheme becoming effective" or "effectiveness of the scheme" shall mean the effective date.

(F) The Scheme shall be effective from the Appointed Date and operative from the Effective Date.

(G) The coming into effect of the Scheme is conditional upon and subject to:

- the Scheme being approved by the respective requisite majorities of the various classes of shareholders and creditors (where applicable) of the Companies as required under the Act including the public shareholders of the Company through e-voting in terms of Part – I (A)(10)

(a) of the SEBI Scheme Circular, and the requisite orders of the NCLT, or dispensation having been received from the NCLT in relation to obtaining such consent from the shareholders and/or creditors;

- the sanction or approval of the Appropriate Authorities in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on expiry of any statutory time period pursuant to which such approval is deemed to have been granted (including SEBI and RBI);
- the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transaction, as may be mutually agreed between the Companies;
- the Scheme being sanctioned by the NCLT in terms of Sections 230 to Section 232 and other relevant provisions of the Act;
- the certified/authenticated copies of the sanction order(s) of the NCLT approving the Scheme being filed with the jurisdictional Registrar of Companies;
- the receipt of a certificate of registration / license by the Company, to operate as a NBFC from the RBI;
- such other approvals and sanctions including sanction of regulatory or statutory or governmental authority, as may be required in terms of the applicable laws or contract in respect of the Scheme.

(H) Upon effectiveness of the Scheme, the equity shares of PPL are proposed to be listed on the BSE and NSE.

(I) Failure of any one part, for lack of necessary approval from the shareholders/ creditors/ statutory regulatory authorities shall not result in the whole Scheme failing. It shall be open to the concerned board of directors to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the NCLT with such modification(s).

A copy of the proposed Scheme is attached as **Annexure 1** to this Notice and Explanatory Statement.

The Scheme is not prejudicial to the interest of the shareholders and creditors of the Company.

The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the secured creditors (including debenture holders) are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

This statement may be treated as an Explanatory Statement under Section 230(3), 232(1), 232(2) and 102 of the Act and the statement for the purposes of Rule 6(3) of the Merger Rules.

Dated this May 26, 2022

Place: Mumbai

Sd/-
M.A. Kuvadia
Chairperson appointed for the Meeting

Registered Office:
Piramal Enterprises Limited
Piramal Ananta, Agastya Corporate Park,
Kamani Junction, LBS Marg, Kurla (West),
Mumbai, Maharashtra – 400070.

Annexure 1

COMPOSITE SCHEME OF ARRANGEMENT
AMONGST
PIRAMAL ENTERPRISES LIMITED
AND
PIRAMAL PHARMA LIMITED
AND
CONVERGENCE CHEMICALS PRIVATE LIMITED
AND
HEMMO PHARMACEUTICALS PRIVATE LIMITED
AND
PHL FININVEST PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PART A - GENERAL

1. PREAMBLE

1.1 This composite scheme of arrangement is presented under Sections 230 to 232 and other applicable provisions of the Act *(as defined hereinafter)* amongst Piramal Enterprises Limited ("**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.

1.2 The Scheme *(as defined hereinafter), inter alia*, provides for:

i) the Demerger (*as defined hereinafter*) of the Demerged Undertaking (*as defined hereinafter*) of PEL, i.e. the Demerged Company *(as defined hereinafter*) into PPL, i.e. the Resulting Company (*as defined hereinafter*) for the purposes of the Demerger;

(ii) the Pharma Amalgamations (*as defined hereinafter*) of CCPL i.e. the Amalgamating Pharma Company 1 (*as defined hereinafter*) and HPPL i.e. the Amalgamating Pharma Company 2 (*as defined hereinafter*) with PPL, i.e. the Amalgamated Pharma Company (as defined hereinafter) for the purposes of the Pharma Amalgamations;

iii) the FS Amalgamation (*as defined hereinafter*) of PFPL i.e. the Amalgamating FS Company (*as defined hereinafter*) with PEL, i.e. the Amalgamated FS Company (*as defined hereinafter*) for the purposes of the FS Amalgamation;

iv) various other matters consequential or otherwise integrally connected therewith;

each in the manner as more particularly described in this Scheme.

2. BACKGROUND

2.1 PEL was incorporated on April 26, 1947 under the provisions of the Indian Companies Act, 1913, and is a public limited company within the meaning of the Act, having CIN - L24110MH1947PLC005719. Its registered office is at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra. PEL is engaged in the business of (i) providing financial services, including wholesale and retail lending services, directly and indirectly; and (ii) the pharmaceutical sector, directly and indirectly, including through its subsidiary, PPL, comprising (a) contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients vitamins and mineral pre-mixes and formulations; (b) manufacturing, selling and distributing complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (c) manufacturing, marketing and distributing consumer healthcare products. The equity shares of PEL are listed on the Stock Exchanges *(as defined hereinafter)*. The non-convertible debentures issued by PEL are listed on the wholesale debt market of the NSE and BSE.

2.2 PPL was incorporated on March 4, 2020 under the provisions of the Companies Act, 2013, and is a public limited company within the meaning of the Act, having CIN - U24297MH2020PLC338592. Its registered office is at Gr. Flr., Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra. PPL is a subsidiary of PEL and is primarily engaged, directly and indirectly, (i) in the business of contract development and organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients, formulations; (ii) business of manufacturing, selling and distribution of complex hospital generics including inhalation anesthesia injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (iii) developing and marketing of consumer healthcare products.

2.3 CCPL was incorporated on November 19, 2014 under the provisions of the Companies Act, 2013 and is a private limited company within the meaning of the Act, having CIN - U24100GJ2014PTC081290. Its registered office is at Plot No D-2/11/A1 G.I.D.C. Phase-II Dahej Tal Vagra Dahej Bharuch– 392130, Gujarat. CCPL is a wholly owned subsidiary of PPL and is primarily engaged in the business of developing, manufacturing and selling speciality fluorochemicals. The Board of CCPL has on October 7, 2021 approved the change of registered office of CCPL to Maharashtra from Gujarat, subject to the receipt of approval from the shareholders of CCPL and the Appropriate Authority. It is proposed that CCPL's registered office will be changed to Maharashtra from Gujarat prior to the filing of the Scheme with the NCLT for sanction.

2.4 HPPL was incorporated on November 7, 1979 under the provisions of the Companies Act, 1956 and is a private limited company within the meaning of the Act, having CIN - U17100MH1979PTC021857. Its registered office is at 114, Turf Estate, 3/65, off Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011, Maharashtra. HPPL is a wholly owned subsidiary of PPL and is primarily engaged in the business of manufacturing and development of synthetic peptide, an active pharmaceutical ingredient.

2.5 PFPL was incorporated on June 8, 1994 under the provisions of the Companies Act, 1956 and is a private limited company within the meaning of the Act, having CIN - U67120MH1994PTC078840. Its registered office is at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, Maharashtra. PFPL is a wholly owned subsidiary of PEL. PFPL is a Systemically Important Non-Deposit taking Non-Banking Finance Company, issued a registration certificate no. B-13.01347 dated June 26, 2000, by the RBI *(as defined hereinafter)* under section 45-IA of the Reserve Bank of India Act, 1934 to commence / carry on the business of non-banking financial institution without accepting public deposits. PFPL is primarily engaged in the business of lending and investment. The non-convertible debentures issued by PFPL are listed on the wholesale debt segment of the BSE and debt segment of the NSE.

3. RATIONALE AND OBJECTIVE OF THE SCHEME

3.1 The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

3.2 Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through this Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).

3.3 The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

3.4 In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

3.5 In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single non-banking financial company ("**NBFC**") entity which is regulated by the RBI, (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

3.6 In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities, it is considered desirable and expedient to implement this Scheme as a composite scheme.

3.7 In furtherance of the aforesaid, this Scheme provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio *(as defined hereinafter)* ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Resulting Company, forming part of the Demerged Undertaking shall stand cancelled;

ii) the amalgamation of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2, both being wholly owned subsidiaries of Amalgamated Pharma Company, into the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

(iii) the amalgamation of Amalgamating FS Company, a wholly owned subsidiary of the Amalgamated FS Company, into the Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

(iv) various other matters consequential or integrally connected therewith;

pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular *(as defined hereinafter)* and the IT Act *(as defined hereinafter)*, including Sections 2(1B) and 2(19AA) thereof.

3.8 Following the FS Amalgamation, PEL will become an NBFC and is proposed to obtain a certificate of registration/license to operate as an NBFC from the RBI and PFPL will surrender its certificate of registration/license to the RBI.

4. OPERATION OF THE SCHEME

4.1 The Demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date *(as defined hereinafter)* and shall be in accordance with Section 2(19AA) of the IT Act, such that:

(i) All the properties of the Demerged Undertaking as on the Appointed Date shall be transferred to and become the properties of the Resulting Company by virtue of this Scheme;

(ii) All the liabilities relating to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Company by virtue of this Scheme;

(iii) The properties and the liabilities relating to the Demerged Undertaking shall be transferred to the Resulting Company at the value appearing in the books of accounts of the Demerged Company immediately before the Demerger;

(iv) The Resulting Company shall issue, in consideration of the Demerger, its equity shares to all the shareholders of the Demerged Company as on the Demerger Record Date on a proportionate basis, in accordance with this Scheme;

(v) All the shareholders of the Demerged Company as on the Demerger Record Date shall become the shareholders of the Resulting Company by virtue of this Demerger;

(vi) The transfer of the Demerged Undertaking shall be on a going concern basis; and

vii) The Demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A of the IT Act, by the Central Government in this behalf.

4.2 The Pharma Amalgamations of the Amalgamating Pharma Companies with the Amalgamated Pharma Company in accordance with this Scheme will be in compliance with the provisions of Sections 230 to 232 and other relevant provisions of the Act and Section 2(1B) of the IT Act, such that:

(i) all the properties/assets of the Amalgamating Pharma Companies, immediately before the Pharma Amalgamations, shall become the property/assets of the Amalgamated Pharma Company, by virtue of the Pharma Amalgamations; and

(ii) all the liabilities of the Amalgamating Pharma Companies, immediately before the Pharma Amalgamations, shall become the liabilities of the Amalgamated Pharma Company, by virtue of the Pharma Amalgamations.

4.3 The FS Amalgamation of the Amalgamating FS Company with the Amalgamated FS Company in accordance with this Scheme will be in compliance with the provisions of Sections 230 to 232 and other relevant provisions of the Act and Section 2(1B) of the IT Act, such that:

(i) all the properties/assets of the Amalgamating FS Company, immediately before the FS Amalgamation, shall become the property/assets of the Amalgamated FS Company, by virtue of the FS Amalgamation; and

(ii) all the liabilities of the Amalgamating FS Company, immediately before the FS Amalgamation, shall become the liabilities of the Amalgamated FS Company, by virtue of the FS Amalgamation.

4.4 In terms of Section 2(1B) of the IT Act, the condition of shareholders holding not less than three-fourths in value of the shares in the amalgamating companies becoming shareholders of the amalgamated company by virtue of the amalgamation, is not relevant in respect of both the Pharma Amalgamations and the FS Amalgamation as both involve amalgamation of wholly owned subsidiaries (Amalgamating Pharma Companies and Amalgamating FS Company) with their respective holding companies (Amalgamated Pharma Company / Amalgamated FS Company, as the case may be), and therefore the shareholding of the Amalgamated Pharma Company and its nominee in the Amalgamating Pharma Companies and the Amalgamated FS Company and joint shareholders in the Amalgamating FS Company respectively, shall stand cancelled by virtue of this Scheme.

4.5 If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) or Section 2(19AA) of the IT Act with respect to the Demerger, Pharma Amalgamations and/or FS Amalgamation, respectively, at a later date, including as a result of any amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) and Section 2(19AA) of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and Section 2(19AA) of the IT Act. Such modifications shall however not affect the other parts of the Scheme.

5. PARTS OF THE SCHEME

5.1 The Scheme is divided into following parts:

(i) **Part A** deals with background of the Companies, rationale and objective and overview of the Scheme;

(ii) **Part B** deals with the definitions, interpretation and share capital structure of the Companies;

(iii) **Part C** deals with transfer and vesting of the Demerged Undertaking into the Resulting Company on a going concern basis in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(19AA) of the IT Act;

(iv) **Part D** deals with the amalgamation of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 into the Amalgamated Pharma Company in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(1B) of the IT Act, and consequent dissolution, without winding up, of the Amalgamating Pharma Companies;

(v) **Part E** deals with the amalgamation of Amalgamating FS Company into the Amalgamated FS Company in accordance with Sections 230 to 232 and other applicable provisions of the Act and in terms of Section 2(1B) of the IT Act, and consequent dissolution, without winding up, of the Amalgamating FS Company;

(vi) **Part F** deals with the general terms and conditions applicable to the Scheme.

PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL STRUCTURE

6. DEFINITIONS

6.1 In this Scheme, unless inconsistent with or repugnant to the subject or context, the following expressions shall have the meanings respectively assigned against them:

(i) "**Accounting Standards**" means the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, as per Section 133 of the Act issued by the Ministry of Corporate Affairs and the other generally accepted accounting principles in India;

(ii) "**Act**" means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modification(s) or re-enactment(s) thereof for the time being in force;

(iii) "**Amalgamated FS Company**" means PEL, to which the Amalgamating FS Company shall stand amalgamated and transferred pursuant to and in accordance with the terms of the Scheme;

iv) "**Amalgamated FS Undertaking**" means all the businesses, undertakings, activities, operations and properties of the Amalgamating FS Company, of whatsoever nature and kind and wheresoever situated, as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., of the Amalgamating FS Company whether or not recorded in the books of accounts and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations and vehicles), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees, and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by the Amalgamating FS Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

(c) all permits, right of way, authorisations, clearances, benefits, registrations, rights, entitlements credits, certificates, awards, sanctions, allotments, quotas, and other licences, no objection certificates, exemptions, pre-qualifications, bids, tenders, letters of intent, expressions of interest, memoranda of understanding or similar instruments, (whether vested or potential and whether under agreements or otherwise), permissions, approvals, privileges, memberships, consents, subsidies, income tax benefits and exemptions including the right to deduction for the residual period, i.e. for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme had not taken place, all other rights including sales tax deferrals and exemptions and other benefits, (in each case including the benefit of any applications made therefore), receivables, and liabilities related thereto, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests (including all tenancies, leases, and other assurances in favour of the Amalgamating FS Company or powers or authorities granted by or to it) in connection with or relating to the Amalgamating FS Company;

(d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder forming part of the business of the Amalgamating FS Company;

(e) all insurance policies of the Amalgamating FS Company;

(f) all Intellectual Property, applications, registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such rights of whatsoever description and nature of the Amalgamating FS Company;

(g) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Amalgamating FS Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating FS Company;

(h) all books, records, files, papers, process information and drawings, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, and all other records and documents, whether in physical or electronic form, relating to business activities and operations of the Amalgamating FS Company;

(i) all Liabilities of the Amalgamating FS Company, whether provided for or not in the books of account or disclosed in the balance sheet;

(j) the employees of the Amalgamating FS Company including Liabilities with regard to the said employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date; and

(k) all legal or other proceedings of whatsoever nature of the Amalgamating FS Company;

(v) "**Amalgamated Pharma Company**" means PPL, to which the Amalgamating Pharma Companies shall stand amalgamated and transferred pursuant to and in accordance with the terms of the Scheme;

(vi) "**Amalgamated Pharma Undertaking 1**" means all the businesses, undertakings, activities, operations and properties of Amalgamating Pharma Company 1, of whatsoever nature and kind and wheresoever situated, as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., of Amalgamating Pharma Company 1 whether or not recorded in the books of accounts of Amalgamating Pharma Company 1 and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by Amalgamating Pharma Company 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Amalgamating Pharma Company 1 and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

(c) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies;

(d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder forming part of the business of Amalgamating Pharma Company 1;

(e) all insurance policies of Amalgamating Pharma Company 1;

(f) all Intellectual Property of Amalgamating Pharma Company 1;

(g) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Pharma Company 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Amalgamating Pharma Company 1;

(h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the business of Amalgamating Pharma Company 1;

(i) the Liabilities of Amalgamating Pharma Company 1;

(j) the employees of Amalgamating Pharma Company 1 including Liabilities with regard to the said employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;

(k) all legal or other proceedings of whatsoever nature of Amalgamating Pharma Company 1.

(vii) "**Amalgamated Pharma Undertaking 2**" means all the businesses, undertakings, activities, operations and properties of Amalgamating Pharma Company 2, of whatsoever nature and kind and wheresoever situated, as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., of

Amalgamating Pharma Company 2 whether or not recorded in the books of accounts of Amalgamating Pharma Company 2 and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by Amalgamating Pharma Company 2 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by Amalgamating Pharma Company 2 and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

(c) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies;

(d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder forming part of the business of Amalgamating Pharma Company 2;

(e) all insurance policies of Amalgamating Pharma Company 2;

(f) all Intellectual Property of Amalgamating Pharma Company 2;

(g) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Amalgamating Pharma Company 2 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Amalgamating Pharma Company 2;

(h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form that form part of the business of Amalgamating Pharma Company 2;

(i) the Liabilities of Amalgamating Pharma Company 2;

(j) the employees of Amalgamating Pharma Company 2 including Liabilities with regard to the said employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;

(k) all legal or other proceedings of whatsoever nature of Amalgamating Pharma Company 2.

(viii) "**Amalgamated Pharma Undertakings**" means Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 collectively;

(ix) "**Amalgamating FS Company**" means PFPL;

(x) "**Amalgamating Pharma Companies**" means Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 collectively;

(xi) "**Amalgamating Pharma Company 1**" means CCPL;

(xii) "**Amalgamating Pharma Company 2**" means HPPL;

(xiii) "**Applicable Law**" means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, press notes, requirement or any similar form of determination by or decision of any Appropriate Authority, in each case having the force of law, and that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Boards or at any time thereafter;

(xiv) **"Appointed Date"** means opening of business on April 1, 2022 or such other date as the NCLT may direct/ allow;

(xv) "**Appropriate Authority**" means any applicable supra-national, national, central, state, municipal, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, legislative body, departmental or public body or authority, board, branch, tribunal or court or other entity in India or any other country where the Companies conduct their business authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization in India or any other country where the Companies conduct their business to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country where the Companies conduct their business including the Registrar of Companies, Regional Director, Competition Commission of India, RBI, SEBI, Stock Exchanges, National Company Law Tribunal, Tax department including the Central Board of Direct Taxes, income tax authorities, Central and State GST Departments and such other sectoral regulators or authorities as may be applicable;

(xvi) **"Board"** in respect of a Company, means the board of directors of such Company in office at the relevant time, and, unless it is repugnant to the context, shall include a committee duly constituted and authorized thereby;

(xvii) "**BSE**" means BSE Limited;

(xviii) "**CCPL**" means Convergence Chemicals Private Limited, a private limited company and a wholly owned subsidiary of PPL incorporated under the provisions of the Companies Act, 2013, having its registered office is at Plot No D- 2/11/A1 G.I.D.C. Phase-II Dahej Tal Vagra Dahej Bharuch– 392130, Gujarat, hereinafter also referred to as the Amalgamating Pharma Company 1;

(xix) "**Companies**" means PEL, PPL, PFPL, CCPL, and HPPL collectively, and "**Company**" means any one of them as the context may require;

(xx) "**Debt Securities**" shall have the meaning set out in Clause 34.2(iii);

(xxi) "**Demerged Company**" means PEL;

(xxii) "**Demerged Liabilities**" shall have the meaning set out in Clause 10.2(ii);

(xxiii) **"Demerged Undertaking**" means all the businesses, undertakings, activities, operations and properties of the Demerged Company, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the Pharma Business as a going concern (which includes the Mahad Facility, and all the equity shares held by the Demerged Company in the Resulting Company, representing the Demerged Company's strategic investment in the Resulting Company), including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively form part of the Pharma Business whether or not recorded in the books of accounts of the Demerged Company and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties. Such properties include the following leasehold properties both pertaining to the Mahad Facility:

(A) leasehold property under the lease deed dated September 22, 1997 entered into between Maharashtra Industrial Development Corporation and Boehringer Manheim India Limited for lease of land admeasuring 1,40,250 sq. meters situated, at Plot K-1, Additional Mahad Industrial Area, Kalinj, Sub-District Mahad, District- Raigad; and

(B) leasehold property under the lease deed dated June 18, 2004 between Maharashtra Industrial Development Corporation and Nicholas Piramal India Limited for lease of land admeasuring 6005 sq. meters, situated at Plot No R-24 in the residential zone of Mahad Industrial Area, Nadgaon, Sub-District Mahad, District- Raigad;

(b) all assets, as are movable in nature and which exclusively form part of the Pharma Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices undertaking the Pharma Business in India, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, dividends declared or interest accrued thereon, reserves, provisions, funds, benefits of all agreements, shares, bonds, debentures, debenture stock, units or pass through certificates, securities, the benefits of any bank guarantees, performance guarantees and tax related assets/

credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, surcharge, cess, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account, tax refunds, rights of any claim not made by the Demerged Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Demerged Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority;

(c) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, privileges, memberships, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the Pharma Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the Pharma Business;

(d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders (including tender(s) for supply of vitamin solutions and premixes), tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, trade union arrangements, settlements, collective bargaining schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder exclusively forming part of the Pharma Business;

(e) all insurance policies pertaining to the Pharma Business;

(f) all Intellectual Property that exclusively forms part of the Pharma Business;

(g) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company exclusively forming part of the Pharma Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and exclusively forming part of the Pharma Business;

(h) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form that exclusively form part of the Pharma Business;

(i) the Demerged Liabilities;

(j) the Demerger Transferred Employees including Liabilities of PEL with regard to the Demerger Transferred Employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise, as on the Effective Date;

(k) all legal or other proceedings of whatsoever nature that exclusively form part of the Pharma Business, which are capable of being continued by or against the Resulting Company under Applicable Law, other than proceedings under Tax Laws pertaining to the period prior to the Appointed Date; and

(l) any assets, Liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Demerged Company and the Resulting Company as relating to or forming part of the Pharma Business or which are necessary for conduct of, or the activities or operations of, the Pharma Business.

(xxiv) **"Demerger**" shall have the meaning set out in Clause 3.7(i);

(xxv) "**Demerger Record Date**" means a mutually agreed date to be fixed by the respective Boards of the Demerged Company and the Resulting Company for the purposes of determining the shareholders of the Demerged Company to whom equity shares of PPL would be allotted pursuant to the Demerger in accordance with Clause 19 of this Scheme;

(xxvi) "**Demerger Transferred Employees**" means all the permanent employees of the Demerged Company who are either: (a) engaged in or relate to the Demerged Undertaking as on the Effective Date, or (b) jointly identified by the Boards or the management of the Demerged Company and the Resulting Company as being necessary for the proper functioning of the Demerged Undertaking.

(xxvii) "**Effective Date**" means (a) for Part C and Part D, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.1 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme; and (b) for Part E, the date or the last date of the dates on which all the conditions and matters referred to in Clause 49.2 of the Scheme occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to the "date of coming into effect of this Scheme" or "upon the Scheme becoming effective" or "effectiveness of the scheme" shall mean the effective date;

(xxviii) "**Encumbrance"** or to **"Encumbe**r" means without limitation (a) any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, including any option or right of pre-emption, public right, common right, easement rights, any attachment, restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off and/ or any other interest held by a third party; (b) any voting agreement, conditional sale contracts, interest, option, right of first offer or transfer restriction; (c) any adverse claim as to title, possession or use; and/ or (d) any agreement, conditional or otherwise, to create any of the foregoing;

(xxix) "**ESOP Scheme**" means the PEL Employees' Stock Ownership Plan - 2015 of the Demerged Company as amended from time to time;

(xxx) "**ESOP Trust**" means collectively: (i) the trust constituted under the trust deed dated August 16, 1995 (as amended from time to time); and (ii) the Piramal Phytocare Limited Senior Employees Option Trust constituted under the trust deed dated July 7, 2009, for administering and implementing the employee stock options schemes of PEL;

(xxxi) "**FS Amalgamation**" shall have the meaning set out in Clause 3.7(iii);

(xxxii) "**Funds**" shall have the meaning set out in Clause 11.2;

(xxxiii) "**GST**" means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, and the state tax as defined under State Goods and Services Tax statutes;

(xxxiv) "**HPPL**" means Hemmo Pharmaceuticals Private Limited, a private limited company and a wholly owned subsidiary of PPL incorporated under the provisions of the Companies Act, 1956 having its registered office at 114, Turf Estate, 3/65, off Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011, Maharashtra, hereinafter also referred to as Amalgamating Pharma Company 2;

(xxxv) "**Intellectual Property**" means:

(a) patents, utility models, rights in inventions, supplementary protection certificates;

(b) rights in information (including know-how, confidential information and trade secrets) and the right to use, and protect the confidentiality of, confidential information;

(c) trade marks, service marks, rights in logos, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;

(d) copyright, moral rights and related rights, rights in computer software, database rights, rights in designs, and semiconductor topography rights;

(e) marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, designs, research and studies;

(f) any other intellectual property rights; and

(g) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (a) to (f) above,

in each case: (a) anywhere in the world; (b) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); and (c) including all divisionals, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals and the right to sue for damages for past and current infringement in respect of any of the same;

(xxxvi) "**IT Act**" means the Income-tax Act, 1961 as may be amended or supplemented from time to time (and any successor provisions or law), including any statutory modifications or reenactments thereof together with all applicable by-laws, rules, regulations, orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961;

(xxxvii) "**Liabilities**" means all debts (whether in Rupees or foreign currency), liabilities (including contingent liabilities, and obligations under any licenses or permits or schemes), loans raised and used, obligations incurred, duties of any kind, nature or description and undertakings of every kind or nature and the liabilities of any description whatsoever whether present or future, and howsoever raised or incurred or utilized along with any charge, encumbrance, lien or security thereon;

(xxxviii) "**Long Stop Date**" shall have the meaning set out in Clause 50.2;

(xxxix) "**Mahad Facility**" means the land and buildings situated at Mahad, Plot No. K1, Additional MIDC, Mahad, Raigad, Maharashtra 402302 and includes all structures, plant, machinery and manufacturing units which are embedded into the earth, and buildings, plants and manufacturing units under construction by the Demerged Company, if applicable, and all equipment and other fixed assets therein;

(xl) **"National Company Law Tribunal"** or "**NCLT**" means the National Company Law Tribunal having jurisdiction over the Companies and/ or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230 to 232 of the Act as may be applicable;

(xli) "**NBFC**" shall have the meaning set out in Clause 3.5;

(xlii) "**NCD**" shall have the meaning set out in Clause 34.2(iii);

(xliii) "**NSE**" means National Stock Exchange of India Limited;

(xliv) "**PEL**" means Piramal Enterprises Limited, a public limited company incorporated under provisions of the Companies Act, 1913, having its registered office at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra, hereinafter also referred to as the Demerged Company;

(xlv) "**PFPL**" means PHL Fininvest Private Limited, a private limited company incorporate under provisions of the Companies Act, 1956, having its registered office at 4th Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, Maharashtra, hereinafter referred to as the Amalgamating FS Company;

(xlvi) "**Pharma Amalgamations**" shall have the meaning set out in Clause 3.7(ii);

(xlvii) "**Pharma Business**" means the pharmaceutical business of the Demerged Company conducted in India whereby it provides end-to-end development and manufacturing solutions to third parties across the drug life cycle, through an integrated network, which comprises the following: business undertaken:

(a) directly by the Demerged Company:

(A) contract development and manufacturing of formulations and vitamin-mineral pre-mixes including at the Mahad Facility;

(B) the business of manufacture, and distribution of consumer healthcare products, including through super distribution arrangements; and

(b) indirectly through the Resulting Company:

(A) contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients and formulations;

(B) manufacturing / selling / distribution of complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and

(C) developing and marketing of consumer healthcare products.

(xlviii) "**PPL**" means Piramal Pharma Limited, a public company and a subsidiary of PEL, incorporated under the provisions of the Companies Act, 2013, having its registered office at Gr. Flr., Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra, hereinafter also referred to as the Resulting Company or Amalgamated Pharma Company, as applicable;

(xlix) "**PPL Equity Shares**" shall have the meaning set out in Clause 19.1;

(l) "**RBI**" means the Reserve Bank of India;

(li) "**Registrar of Companies**" means the relevant Registrar of Companies having jurisdiction over the Companies;

(lii) "**Remaining Business**" means any businesses, undertakings, activities, operations and properties, and investments of the Demerged Company other than those comprised in the Demerged Undertaking together with all assets, receivables and liabilities as a going concern, including for the avoidance of doubt, those related to the conduct of the financial services business and its related operations being undertaken by the Demerged Company, directly and indirectly through its subsidiaries which include (a) Piramal Capital & Housing Finance Limited; (b) PFPL; and (c) Piramal Asset Management Private Limited.

(liii) "**Resulting Company**" means PPL, to which the Demerged Undertaking of the Demerged Company shall stand demerged and transferred pursuant to and in accordance with the terms of the Scheme;

(liv) "**Rupees" or "Rs.**" means Indian rupees, being the lawful currency of Republic of India;

(lv) "**Sanction Order**" means the order of the NCLT sanctioning this Scheme;

(lvi) "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this composite scheme of arrangement in its present form as submitted to NCLT or this Scheme with such modification(s), if any made, in accordance with Clause 47 hereto;

(lvii) "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

(lviii) "**SEBI ESOP Regulations**" means the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 or any statutory modification or re-enactment thereof for the time being in force;

(lix) **"SEBI Scheme Circular**" means the circular issued by the SEBI, being Circular No. SEBI/HO/CFD/DIL1/P/CIR/2020/249 dated December 22, 2020 and any amendments thereof, consolidating Circulars dated March 10, 2017, March 23, 2017, May 26, 2017, September 21, 2017, January 3, 2018, September 12, 2019 and November 3, 2020;

(lx) "**Securities Act**" shall have the meaning set out in Clause 19.9;

(lxi) "**Share Entitlement Ratio**" shall have the meaning set out in Clause 19.1;

(lxii) "**Stock Exchanges**" means the BSE and the NSE;

(lxiii) "**Tax**" or "**Taxes**" means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, central sales tax, service tax, octroi, local body tax and customs duty, duties, charges, fees, surcharge, cess, levies or other similar assessments by or payable to an Appropriate Authority, including in relation to: (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof;

(lxiv) "**Tax Laws**" shall have the meaning set out in Clause 16.1;

(lxv) "**TDS**" means tax deductible at source, in accordance with the provisions of the IT Act.

7. INTERPRETATION

7.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 and other Applicable Law, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

7.2 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

7.3 The headings herein shall not affect the construction of this Scheme.

7.4 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

7.5 The singular shall include the plural and vice versa; and references to one gender include all genders.

7.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

7.7 References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

8. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

9. SHARE CAPITAL

9.1 The authorized, issued, subscribed and paid up share capital of PEL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
40,00,00,000 Equity Shares of Rs. 2/- each	80,00,00,000
30,00,000 Preference Shares of Rs. 100/- each	30,00,00,000
2,40,00,000 Preference Shares of Rs. 10/- each	24,00,00,000
10,50,00,000 Unclassified Shares of Rs. 2/- each	21,00,00,000
TOTAL	**155,00,00,000**
Issued Share Capital	
23,92,63,645 equity shares of face value of Rs. 2 each fully paid	47,85,27,290
TOTAL	**47,85,27,290**
Subscribed and Paid-up Share Capital	
23,86,63,700 equity shares of face value of Rs. 2 each fully paid	47,73,27,400
TOTAL	**47,73,27,400**

9.2 The authorized, issued, subscribed and paid up share capital of PPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
150,00,00,000 equity shares of face value of Rs. 10 each	1500,00,00,000
10,00,00,000 compulsorily convertible preference shares of face value of Rs. 10 each	100,00,00,000
TOTAL	**1600,00,00,000**
Issued Share Capital	
118,59,13,506 equity shares of face value of Rs. 10 each fully paid-up	1185,91,35,060
TOTAL	**1185,91,35,060**
Subscribed and Paid-up Share Capital	
118,59,13,506 equity shares of face value of Rs. 10 each fully paid-up	1185,91,35,060
TOTAL	**1185,91,35,060**

As on the date of approval of the Scheme by the Boards of the Companies, PEL holds 79.8751% of the share capital of PPL.

The equity shares of the Resulting Company are presently not listed on any Stock Exchange. An application shall be made with the Stock Exchanges post the effectiveness of the Scheme, for listing of the equity shares of the Resulting Company as mentioned in this Scheme.

9.3 The authorized, issued, subscribed and paid up share capital of CCPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
8,50,00,000 equity shares of face value of Rs. 10 each.	85,00,00,000
TOTAL	**85,00,00,000**
Issued Share Capital	
7,00,10,000 equity shares of face value of Rs. 10 each fully paid.	70,01,00,000
TOTAL	**70,01,00,000**
Subscribed and Paid-up Share Capital	
7,00,10,000 equity shares of face value of Rs. 10 each fully paid.	70,01,00,000
TOTAL	**70,01,00,000**

The entire share capital of CCPL, as on the date of approval of the Scheme by the Boards of the Companies, is held by PPL and its nominee shareholder.

9.4 The authorized, issued, subscribed and paid up share capital of HPPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
50,000 equity shares of face value of Rs. 100 each.	50,00,000
TOTAL	**50,00,000**
Issued Share Capital	
29,075 equity shares of face value of Rs. 100 each fully paid.	29,07,500
TOTAL	**29,07,500**
Subscribed and Paid-up Share Capital	
29,075 equity shares of face value of Rs. 100 each fully paid.	29,07,500
TOTAL	**29,07,500**

The entire share capital of HPPL, as on the date of approval of the Scheme by the Boards of the Companies, is held by PPL and its nominee shareholder.

9.5 The authorized, issued, subscribed and paid up share capital of PFPL as on October 5, 2021 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
500,00,00,000 Equity shares of Rs. 10 each	5000,00,00,000
TOTAL	**5000,00,00,000**
Issued Share Capital	
62,86,84,777 equity shares of Rs. 10 each	628,68,47,770
TOTAL	**628,68,47,770**
Subscribed and Paid-up Share Capital	
62,86,84,777 equity shares of Rs. 10 each	628,68,47,770
TOTAL	**628,68,47,770**

The entire share capital of PFPL, as on the date of approval of the Scheme by the Boards of the Companies, is held by PEL and joint shareholders.

PART C - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO RESULTING COMPANY

10. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2(19AA) of the IT Act and pursuant to Sections 230 to 232 and other applicable provisions of the Act, and pursuant to the Sanction Order, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern in the manner set out below.

10.1 TRANSFER OF ASSETS

10.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, subject to the provisions of this Clause 10 in relation to the mode of transfer and vesting under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed, be demerged from the Demerged Company, and be transferred to and vested in and be deemed to have been demerged from the Demerged Company, and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

10.1.2 It is clarified that all assets, estates, rights, title, claims, investments, interest and authorities acquired by the Demerged Company, after the Appointed Date and prior to the Effective Date, and forming part of the Demerged Undertaking, shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme, without any further act, instrument or deed.

10.1.3 Upon the Scheme becoming effective and with effect from the Appointed Date, without prejudice to the generality of the above:

(i) In respect of the assets of the Demerged Undertaking that are movable in nature (including shares and marketable securities) or incorporeal property and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/or delivery, including cash and bank balances, units of mutual funds, market instruments and securities of the Demerged Undertaking the same shall stand transferred by the Demerged Company to the Resulting Company pursuant to provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law or be deemed to be transferred by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

(ii) Subject to the provisions of Clause 16.1 in relation to Tax, in respect of movable assets other than those dealt with in Clause 10.1.3(i) above (including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, etc.) the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and all other applicable provisions of Applicable Law to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors, depositors or persons as the case may be. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits stands transferred to and vested in the Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto.

(iii) All assets, estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act and all other applicable provisions of Applicable Laws.

(iv) All immovable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold or licensed properties (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest, right of way and easements in relation thereto) of the Demerged Undertaking exclusively (including the Mahad Facility) shall stand transferred to and be vested in the Resulting Company or be deemed to be transferred to and be vested in the Resulting Company automatically without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. All lease or license or rent agreements pertaining exclusively to the Demerged Undertaking, entered into by the Demerged Company with various landlords, owners and lessors in connection with the use of the assets of the Demerged Company, together with security deposits, shall stand automatically transferred in favour of the Resulting Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Resulting Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Demerged Company. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and / or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the transfer or vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of deed(s) of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme.

(v) All Intellectual Property and rights thereto of the Demerged Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the Demerged Company and forming part of the Demerged Undertaking, shall be transferred to, and vest in, the Resulting Company.

(vi) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets/ credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/ minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company to recover or realize the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

(vii) With respect to the investments made by the Demerged Company in shares (including shares held in the Resulting Company, i.e. PPL, representing the Demerged Company's strategic investment in PPL), stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

(viii) Any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Appointed Date as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.

10.1.4 For avoidance of doubt, in order to ensure the smooth transition and sales of products and inventory of the Demerged Company manufactured and/ or branded and/ or labelled and/ or packed in the name of the Demerged Company prior to the Effective Date insofar as they relate to the Demerged Undertaking, the Resulting Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Demerged Company at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Resulting Company after the Effective Date.

10.1.5 Notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.

10.1.6 Upon the Effective Date and with effect from the Appointed Date, in relation to assets, if any, which, under Applicable Law, require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company and or otherwise desire to be vested separately, the Demerged Company and the Resulting Company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

10.1.7 On and from the Effective Date and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

10.1.8 It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

10.2 TRANSFER OF LIABILITIES

(i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date), all Demerged Liabilities, whether or not provided in the books of the Demerged Company shall without any further act, instrument or deed be and stand transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Resulting Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Demerged Company. The Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Demerged Liabilities.

(ii) The term "**Demerged Liabilities**" shall mean:

(a) the Liabilities of the Demerged Company which exclusively arise out of the activities or operations of the Pharma Business;

b) the specific loans or borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operations of the Pharma Business;

(c) in cases other than those referred to in Clause 10.2(ii)(a) or Clause 10.2(ii)(b) above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

(iii) In so far as the Demerged Liabilities are concerned, such Demerged Liabilities transferred to the Resulting Company in terms of Clause 10.2 hereof, shall, without any further act, instrument or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings. Thus, with effect from the Effective Date, the primary obligation to redeem or repay such Demerged Liabilities shall be that of the Resulting Company.

(iv) Where any of the Demerged Liabilities has been partially or fully discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company.

(v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Company alone shall be liable, to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to its Remaining Business and the Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Remaining Business. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such respective Demerged Liabilities.

(vi) The provisions of this Clause and that of Clause 10.3 below shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

(vii) It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

(viii) Upon the coming into effect of this Scheme, the borrowing limits of the Resulting Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged Liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

10.3 ENCUMBRANCES

(i) The transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

(ii) In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking to which such Demerged Liability relates, which have already been Encumbered in respect of the Demerged Liabilities as transferred to the Resulting Company pursuant to this Scheme, and such Encumbrances shall not relate to or attach to any of the other assets of the Resulting Company. Provided that if any of the assets comprised in the Demerged Undertaking being transferred to the

Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(iii) If any Encumbrance of the Demerged Company for the operations of the Demerged Undertaking exists as on the Appointed Date, but has been partially or fully released thereafter by the Demerged Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Resulting Company upon the coming into effect of the Scheme and all Encumbrances incurred by the Demerged Company for the operations of the Demerged Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company, and such Encumbrances shall not attach to any property of the Demerged Company.

(iv) Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Remaining Business of the Demerged Company, shall, as and from the Effective Date, without any further act, instrument or deed, stand released and discharged and shall no longer be available as Encumbrances in relation to those liabilities of the Demerged Company pertaining to its Remaining Business (and which shall continue with the Demerged Company).

(v) In so far as the assets of the Remaining Businesses are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the relevant Demerged Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a bank and/ or financial institution or trustee or third party in order to effect such release shall not affect the operation of this Clause 10.3(v).

(vi) In so far as the existing Encumbrances in respect of the loans and other liabilities relating to a Remaining Business are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with the Demerged Company, only on the assets relating to the relevant Remaining Business and the assets forming part of the Demerged Undertaking shall stand released therefrom.

(vii) In so far as the existing Encumbrances over the assets and other properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of the Resulting Company prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Resulting Company by virtue of the Scheme.

(viii) Without any prejudice to the provisions of the foregoing Clauses and upon coming into effect of this Scheme, the Demerged Company and the Resulting Company shall enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required from the Demerged Company, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

(ix) Any reference to the Demerged Company and its assets and properties in any security documents or arrangements (to which the Demerged Company is a party), which relate to the Demerged Undertaking, shall be construed as a reference to the Resulting Company and the assets and properties of the Demerged Company shall be transferred to the Resulting Company by virtue of the Scheme. Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of the Scheme, the Demerged Company and the Resulting Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

11. EMPLOYEES

11.1 On the Scheme becoming effective, all Demerger Transferred Employees shall be deemed to have become employees of the Resulting Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment in the Demerged Company on the Effective Date. The services of all Demerger Transferred Employees with the Demerged Company prior to the Demerger shall be taken into account for the purposes of all benefits to which the Demerger Transferred Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the Demerger Transferred Employees in the existing provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the Demerger Transferred Employees who are not eligible to become members of the provident fund maintained by the Resulting Company.

11.2 It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company (including Demerger Transferred Employees) are concerned (collectively referred to as the "**Funds**"), such of the investments made in the funds and liabilities which are attributable/referable to the Demerger Transferred Employees shall be transferred to the similar funds created and/or nominated by the Resulting Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Resulting Company, maintained as separate funds by the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds, until such time that the Resulting Company creates its own funds, at which time the funds and the investments and contributions pertaining to the Demerger Transferred Employees shall be transferred to the funds created by the Resulting Company.

11.3 Further to the transfer of Funds as set out in Clause 11.2 above, for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Demerged Company in relation to the Demerged Undertaking as on the Effective Date in relation to such Funds shall become those of the Resulting Company. It is clarified that the services of the Demerger Transferred Employees forming part of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Funds.

11.4 In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Demerger Transferred Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Demerger Transferred Employees.

11.5 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and the Resulting Company shall have no liability in respect thereof.

11.6 <u>Employee Stock Option Plans</u>

(i) In respect of the employee stock options granted by the Demerged Company under the ESOP Scheme (irrespective of whether the options holders continue to be employees of the Demerged Company or are or become employees of the Resulting Company pursuant to the Scheme), which have been granted (whether vested or not) but have not been exercised as on the Demerger Record Date:

(a) The employee stock options granted by the Demerged Company under the ESOP Scheme would continue to be held by the employees of the Resulting Company including the Demerger Transferred Employees in accordance with the terms of the ESOP Scheme and any other applicable terms. Upon coming into effect of the Scheme, and as an integral part of the Scheme, the ESOP Scheme shall stand modified as below; so as to enable the continuance of the same in the hands of the employees of the Resulting Company who have been granted stock options by the Demerged Company.

(b) The terms of the ESOP Scheme and the employee stock options granted pursuant to the ESOP Scheme shall stand modified to the effect that the option holders (as per the records of the Demerged Company on the Demerger Record Date) shall be entitled to receive 4 (four) equity shares of the Resulting Company for (and in addition to) every 1 (one) equity share of the Demerged Company to be received upon the exercise of each employee stock option held by such option holder under the ESOP Scheme in accordance with terms thereof.

(c) The exercise price payable for the employee stock options may be modified, if and as may be determined by the Boards of the Demerged Company and the Resulting Company or committee(s) thereof constituted to deal with matters pertaining to employee stock option schemes in accordance with the provisions of this Scheme, the SEBI ESOP Regulations and other Applicable Laws.

(ii) The respective Boards (or duly authorized committee(s) thereof) of the Demerged Company and Resulting Company shall be entitled to take such actions including providing accelerated vesting or cash compensation or allotting additional employee stock options or adjusting exercise price or otherwise, at the respective Board's discretion, in order to give effect to the provisions of this Clause 11 without prejudicially affecting the option holders. For this purpose: (a) the terms and conditions of the ESOP Scheme may be varied by the Board (or duly authorized committee thereof) of the Demerged Company; and (b) the terms and conditions of any employee stock option scheme(s) formulated by the Resulting Company may be varied by the Board (or duly authorized committee thereof) of the Resulting Company. Upon the Scheme coming into effect, the Resulting Company shall ensure that the stock option scheme(s) formulated by it shall be modified to take into account the provisions of this Scheme.

(iii) All actions taken in accordance with this Clause 11 shall be deemed to be in full compliance of the SEBI ESOP Regulations, any other applicable guidelines/regulations issued by SEBI in this regard, and any other Applicable Laws. The aforesaid variation of the entitlement of the holders to employee stock options to receive equity share(s) of the Resulting Company upon exercise of the employee stock option in addition to equity share(s) of the Demerged Company shall be effected as an integral part of this Scheme and the consent of the shareholders of the Demerged Company and Resulting Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the ESOP Scheme as well the formulation / modification of any Resulting Company's stock option scheme(s), including: (a) any modifications made to the ESOP Scheme required to give effect to the provisions of the Scheme; (b) the formulation and introduction of the new stock option scheme(s) of the Resulting Company or modifications to stock option scheme(s) of the Resulting Company; (c) the administration of such stock option scheme(s) of the Resulting Company; and (d) all related matters. No further approval of the shareholders of the Demerged Company or Resulting Company or resolution, action or compliance would be required in this connection under any applicable provisions of the Act and/ or other Applicable Laws.

(iv) The Demerged Company and Resulting Company shall be empowered to administer and implement their respective employee stock option scheme(s) through the ESOP Trust, if so required or in the case of the Resulting Company, any other trust established for this purpose.

(v) The Boards of the Demerged Company and Resulting Company shall be entitled to take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 11.6 of the Scheme.

12. LEGAL PROCEEDINGS

12.1 Upon the coming into effect of this Scheme, subject to the provisions of Clause 12.2 in relation to Tax proceedings, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against the Demerged Company in relation to the Demerged Undertaking is pending on the Effective Date or is instituted any time thereafter, and if such proceeding is capable of being continued by or against the Resulting Company under Applicable Law, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Demerged Company, in relation to the Demerged Undertaking, which forms part of the Demerged Company, as if this Scheme had not been made.

12.2 The provisions of this Clause 12.2 shall apply to any suit, appeal, legal or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any Tax Law relating to the Demerged Undertaking. Any such proceedings in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, whether pending on the Effective Date or instituted at any time thereafter, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but shall be continued, prosecuted and enforced by or against the Demerged Company. Any such Tax proceedings in relation to the Demerged Undertaking and pertaining to the period on or after the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to Demerged Undertaking as if this Scheme had not been made.

12.3 In case of any litigation, suits, recovery proceedings etc., as referred to in this Clause 12 which are the responsibility of the Resulting Company, which are to be initiated or may be initiated against the Demerged Company, in relation to the Demerged Undertaking, the Demerged Company shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof. If any proceedings are taken against the Resulting Company after the Effective Date in respect of the matters referred to in this Clause 12, which are the responsibility of the Demerged Company, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the Demerged Company shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.

12.4 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company which are the responsibility of the Resulting Company referred to in this Clause 12 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Demerged Company undertakes to have all legal or other proceedings initiated by or against Resulting Company after the Effective Date which are the responsibility of the Demerged Company, referred to in this Clause 12, transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Demerged Company and the Resulting Company shall make relevant applications in that behalf.

13. CONTRACTS, DEEDS, ETC.

13.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, tenders obtained or applied, bids, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature exclusively forming part of a Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 13 of the Scheme.

13.2 The Resulting Company may at its sole discretion enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

13.3 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), instruments, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

13.4 Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever:

(i) The Demerged Company shall hold such asset or contract, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as their transfer is effected;

(ii) The Demerged Company and the Resulting Company shall, however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Resulting Company on the Effective Date; and

(iii) The Resulting Company shall perform or assist the Demerged Company in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, tenders, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date.

It is clarified that the Demerged Company and the Resulting Company may enter into contracts or arrangements, as may be required to give effect to the provisions of this Clause 13.4 and such contracts or arrangements shall not be cancelled or inoperative pursuant to Clause 13.5 below.

13.5 Any inter-se contracts between the Demerged Company on the one hand and the Resulting Company on the other hand in connection with the Demerged Undertaking shall stand cancelled and cease to operate upon the effectiveness of this Scheme.

13.6 Notwithstanding any such mechanism or arrangement between the Demerged Company and Resulting Company, the said Companies agree that the Demerged Company shall with respect to the period after the Effective Date, (i) not be responsible for performance of any obligations or for any liabilities whatsoever arising from or in relation to the Demerged Undertaking; and (ii) not be entitled to any rights or to receive any benefits whatsoever in relation to the Demerged Undertaking. The economic, financial, technical and operational responsibility and all related costs and expenses (direct and incurred), liabilities and taxes in connection with the Demerged Undertaking, shall rest and be borne entirely and exclusively by Resulting Company after the Effective Date. Resulting Company shall promptly pay, indemnify and hold harmless the Demerged Company for and from any such costs and expenses, losses, damages, liabilities and taxes or requirements under the Contract(s) after the Effective Date if arising pursuant to the arrangement between the Demerged Company and Resulting Company under this Clause 13.6.

14. PERMITS, CONSENTS AND LICENSES

14.1 All the licenses, permits, permissions, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted, conferred upon, held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents received by the Demerged Company, forming part of or relating to the Demerged Undertaking, pursuant to the provisions of Sections 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date, the estates, assets, licenses, permits, privileges, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under Applicable Law and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the Resulting Company on such approvals, clearances, permissions etc. so as to acknowledge and record the transfer and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations forming part of the Demerged Undertaking in the Resulting Company without hindrance and that such approvals, clearances and permissions etc. shall remain in full force and effect in favour of or against the Resulting Company, as the case may be, the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or recipient or beneficiary or obligee thereto. The Demerged Company and the Resulting Company may execute necessary documentation to give effect to the foregoing, where required.

14.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall make necessary applications / file relevant forms to any Appropriate Authority as may be necessary in this behalf.

14.3 Upon this Scheme being effective, the past track record of the Demerged Company relating to the Demerged Undertaking, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

14.4 From the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and / or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and/or approval, as the case may be, and the Resulting Company shall keep a record and / or account of such transactions.

15. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking into the Resulting Company under Clauses 10 to 14 above shall not affect any transaction or proceedings already concluded by the Demerged Company for the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.

16. TAXATION MATTERS

16.1 Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:

(i) the Demerged Company shall be liable for any Tax payable to Appropriate Authorities under Applicable Laws relating to Tax ("Tax Laws") and shall be entitled to any refunds of Tax from Appropriate Authorities under Tax Laws, which, in each case, arise exclusively from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date; and

(ii) the Resulting Company shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Demerged Company and whether such payments or receipts are due or realised on, before or after the Appointed Date.

16.2 All Liabilities under Tax Laws which relate exclusively to the activities or operations of the Demerged Undertaking prior to the Appointed Date shall remain the Liabilities of the Demerged Company after the Effective Date, regardless of whether such Liabilities arise on or after the Appointed Date.

16.3 Upon effectiveness of this Scheme, all Taxes paid or payable by the Demerged Company in respect of the operations and/ or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Resulting Company. Upon effectiveness of this Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), advance tax, self-assessment tax, minimum alternate tax, or otherwise howsoever, by the Demerged Company in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Resulting Company, and, shall, in all proceedings, be dealt with accordingly.

16.4 Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, value added tax or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong to and be received by the Demerged Company, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, value added tax, GST, or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Resulting Company, even if the prescribed time limits for claiming such refunds or credits have lapsed.

16.5 Any Tax incentives, subsidies, exemptions, special status, tax benefits (including but not limited to export incentives, credits/ incentives in respect of income tax, sales tax, value added tax, GST, turnover tax, excise duty, service tax etc.), duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Demerged Company shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date, vest with and be available to Resulting Company on the same terms and conditions, as if the same had been originally allotted and / or granted and / or sanctioned and / or allowed to the Resulting Company.

16.6 Each of the Resulting Company and the Demerged Company shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, GST returns and other statutory returns, notwithstanding that the period for filing/ revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Demerged Company and the Resulting Company and shall have the right to claim refunds, advance Tax credits, input Tax credit, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

16.7 Any actions taken by the Demerged Company to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date upto the Effective Date shall be considered as adequate compliance by the Demerged Company with such requirements under Tax Laws and such actions shall be deemed to constitute adequate compliance by the Resulting Company with the relevant obligations under such Tax Laws.

16.8 Any unutilized GST credits pertaining to the Demerged Undertaking shall, notwithstanding anything contained in this Clause 16, be transferred by the Demerged Company to the Resulting Company in accordance with Applicable Laws. The Demerged Company and Resulting Company shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and Liability in connection with GST pertaining to the activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall, notwithstanding anything contained in this Clause 16 be dealt with in accordance with Applicable Law.

16.9 If the Demerged Company makes any payment to discharge any Liabilities under Tax Laws that are the responsibility of the Resulting Company under Clause 16.1(i) above, the Resulting Company shall promptly pay or reimburse the Demerged Company for such payment. If the Resulting Company makes any payment to discharge any Liabilities under Tax Laws that are the responsibility of the Demerged Company under Clause 16.1(ii) above, the Demerged Company shall promptly pay or reimburse the Resulting Company for such payment.

16.10 Any benefits under incentive schemes and policies relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company.

17. VALIDITY OF EXISTING RESOLUTIONS

17.1 Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company relating to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.

18. REMAINING BUSINESS OF THE DEMERGED COMPANY

18.1 The Remaining Business and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's Liabilities.

18.2 All legal, taxation and other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company with respect to the Remaining Business, under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the respective Remaining Business of the Demerged Company, (including those relating to any property, right, power, liability, obligation or duty of the Demerged Company in respect of the Remaining Business and any income tax related liabilities) shall be continued and enforced by or against the Demerged Company, as applicable, even after the Effective Date.

18.3 On and from the Appointed Date:

(i) the Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating the Remaining Business for and on its own behalf;

(ii) all profits accruing to the Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company; and

(iii) all assets and properties acquired by the Demerged Company in relation to the Remaining Business shall belong to and continue to remain vested with the Demerged Company.

19. CONSIDERATION FOR DEMERGER

19.1 Upon this Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot 95,46,54,800 (Ninety-Five Crores, Forty Six Lakhs, Fifty Four Thousand, Eight Hundred) equity shares, credited as fully paid-up, to the members of the Demerged Company, holding fully paid up equity shares and whose names appear in the register of members, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, of the Demerged Company, on the Demerger Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Demerger Record Date in the following manner:

*"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL" ("***Share Entitlement Ratio***")*

The shares issued by the Resulting Company pursuant to this Clause 19 are hereinafter referred to as "**PPL Equity Shares**".

19.2 The PPL Equity Shares shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Law and shall rank *pari passu* with the equity shares of the Resulting Company.

19.3 If the allotment of PPL Equity shares pursuant to this Clause 19 will result in any shareholders being issued fractional shares, the Board of the Resulting Company shall, at its absolute discretion, decide to take any or a combination of the following actions:

(i) consolidate all such fractional entitlements and thereupon allot PPL Equity Shares in lieu thereof into a dematerialized/depository participant account to be operated by a person/ trustee authorized by the Board of the Resulting Company in this behalf which shall hold the PPL Equity Shares in trust on behalf of the shareholders of the Demerged Company entitled to fractional entitlements with the express understanding that such person shall sell the PPL Equity Shares of the Resulting Company so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the Demerged Company in proportion to their respective fractional entitlements. In case the number of PPL Equity Shares to be allotted to a person authorized by the Board of the Resulting Company by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer;

(ii) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Demerged Company and the Resulting Company.

19.4 Without prejudice to the generality of Clause 19.1, the Demerged Company and the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the PPL Equity Shares.

19.5 The PPL Equity Shares shall mandatorily be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 30 (thirty) days before the Demerger Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall receive the PPL Equity Shares in dematerialized form only provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 30 (thirty) days before the Demerger Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 30 (thirty) days before the Demerger Record Date, the Resulting Company shall keep such shares in abeyance / escrow account and will credit the same to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar.

19.6 The PPL Equity Shares to be issued by the Resulting Company, pursuant to Clause 19 in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Resulting Company.

19.7 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Resulting Company shall stand suitably increased consequent upon the issuance of the PPL Equity Shares in accordance with this Clause 19. Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the PPL Equity Shares as on the Demerger Record Date, as provided in this Scheme.

19.8 The PPL Equity Shares will be listed and/ or admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law or regulations for the Resulting Company with the formalities of the Stock Exchanges. The PPL Equity Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated stock exchange. There shall be no change in the shareholding pattern or control in the Resulting Company between the Demerger Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme, till the date of listing of the equity shares issued under this Scheme on the Stock Exchanges.

19.9 The PPL Equity Shares may not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the PPL Equity Shares of the Resulting Company for such exemption.

20. CANCELLATION OF SHARE CAPITAL

20.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230-232 of the Act, the equity shares of the Resulting Company forming part of the Demerged Undertaking shall stand cancelled without any further act, instrument or deed.

20.2 The consequent reduction of share capital of the Resulting Company shall be an integral part of this Scheme and the Demerged Company and the Resulting Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.

20.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

21. ACCOUNTING TREATMENT

21.1 IN THE BOOKS OF THE DEMERGED COMPANY

(i) The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking at the values appearing in its books of account (i.e. the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values of assets and liabilities appearing on such date.

(ii) For compliance with Annexure A to Ind AS - 10, the Demerged Company shall debit the fair value of the Demerged Undertaking to the retained earnings and create a corresponding liability.

(iii) The book value of net assets derecognised at (i) above will be adjusted against the liability recognised at (ii) above. The difference, if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS - 10.

21.2 IN THE BOOKS OF THE RESULTING COMPANY

(i) The Resulting Company shall record the assets (excluding investments in Resulting Company) and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at their respective fair values as on the Appointed Date in accordance with Ind AS - 103.

(ii) The Resulting Company shall recognise its own equity instruments forming part of the Demerged Undertaking at fair value as per Ind AS - 109 and simultaneously cancel its own equity instruments as per Ind AS - 32 and difference between fair value (as at the Appointed Date) and face value of the equity shares shall be adjusted against the securities premium account.

(iii) In respect of PPL Equity Shares to be issued by Resulting Company pursuant to Clause 19 of the Scheme as consideration the Resulting Company shall credit its equity share capital account for the aggregate face value of these shares and credit the securities premium account for the premium on issuance of the same.

(iv) The balance, if any, after giving effect to clauses (i) to (iii) above shall be transferred by the Resulting Company to its capital reserve account or goodwill, as the case may be.

(v) Inter-company transactions and balances including loans, advances, receivable or payable inter se between the Demerged undertaking and Resulting company as appearing in their books of accounts, if any, shall stand cancelled.

22. CONDUCT OF THE DEMERGED COMPANY TILL THE EFFECTIVE DATE

22.1 From the Appointed Date, the Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Resulting Company.

22.2 All the profits or income accruing or arising to the Demerged Company and expenditure or losses arising or incurred or suffered by the Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.

22.3 Upon the Scheme becoming effective and with effect from the Appointed Date, any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken / discharged for and on behalf of the Resulting Company.

22.4 The Demerged Company and the Resulting Company shall be entitled, pending sanction of the Scheme, to apply to all Appropriate Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions, which may be required in connection with this Scheme.

22.5 With effect from the Effective Date, the Resulting Company shall commence and carry on and shall be authorized to carry on the Pharma Business which was hitherto carried on by the Demerged Company.

23. WRONG POCKET ASSETS

23.1 Subject to Clause 13.4, no part of the Demerged Undertaking shall be retained by the Demerged Company after the Effective Date pursuant to the Demerger. If any part of any of the Demerged Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Demerger, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Demerged Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.

23.2 No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.

23.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business, the Resulting Company shall immediately pay such amounts to the Demerged Company.

PART D - AMALGAMATION OF AMALGAMATING PHARMA COMPANIES INTO THE AMALGAMATED PHARMA COMPANY

24. TRANSFER AND VESTING

Upon the Scheme becoming effective and with effect from the Appointed Date, each of Amalgamated Pharma Company 1 and Amalgamated Pharma Company 2 shall, pursuant to Sections 230 to 232 and other applicable provisions of the Act, if any, and in terms of Section 2(1B) of the IT Act and pursuant to the Sanction Order, without any further act, instrument or deed, stand amalgamated into the Amalgamated Pharma Company and each of Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 shall be and stand transferred to and vested in or be deemed to be transferred to and vested in the Amalgamated Pharma Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the business, undertaking, activities, operations, assets, estate, liabilities, properties, right, title, interest and authorities of the Amalgamated Pharma Company by virtue of and in the manner set out below.

24.1 TRANSFER OF ASSETS

24.1.1 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date:

(i) All the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 of whatsoever nature and wheresoever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Amalgamated Pharma Company and shall be deemed to be transferred to and vested in the Amalgamated Pharma Company, as a going concern, so as to become, as and from the Appointed Date, the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Pharma Company.

(ii) All assets, estates, rights, title, claims, investments, interest and authorities acquired by each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2, after the Appointed Date and prior to the Effective Date shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Amalgamated Pharma Company upon the coming into effect of this Scheme, without any further act, instrument or deed.

24.1.2 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of assets shall be as under:

(i) In respect of such of the assets and properties of each of the Amalgamating Pharma Companies, as are movable in nature (including shares and marketable securities) or incorporeal property and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/or delivery, the same shall stand so transferred by each of the Amalgamating Pharma Companies or be deemed to be transferred by delivery or possession or by endorsement and delivery upon the coming into effect of the Scheme, and shall become the assets and property of the Amalgamated Pharma Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same.

(ii) In respect of such of the assets and properties belonging to each of the Amalgamating Pharma Companies (other than those referred to in Clause 24.1.1(ii)) including sundry debtors, actionable claims, receivables, bills, credits (including tax credits), loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person), the same shall stand transferred to and vested in the Amalgamated Pharma Company and shall be deemed to have been transferred to and vested in the Amalgamated Pharma Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Amalgamated Pharma Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Amalgamated Pharma Company and be paid or made good or held on account of the Amalgamated Pharma Company as the person entitled thereto.

(iii) All immovable property, whether or not included in the books of the relevant Amalgamating Pharma Company, whether freehold or leasehold or licensed properties (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest, right of way and easements in relation thereto) of the Amalgamating Pharma Companies shall stand transferred to and be vested in the Amalgamated Pharma Company or be deemed to be transferred to and be vested in the Amalgamated Pharma Company automatically without any act or deed to be done or executed by the Amalgamated Pharma Company and/or the relevant Amalgamating Pharma Company. All lease or license or rent agreements entered into by the respective Amalgamating Pharma Companies with various landlords, owners and lessors in connection with the use of the assets of the relevant Amalgamating Pharma Company, together with security deposits, shall stand automatically transferred in favour of the Amalgamated Pharma Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Amalgamated Pharma Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the respective Amalgamating Pharma Company. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Amalgamated Pharma Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Amalgamated Pharma Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed. It is clarified that the Amalgamated Pharma Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the transfer or vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of deed(s) of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme.

(iv) All Intellectual Property and rights thereto of each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the respective Amalgamating Pharma Companies, shall be transferred to, and vest in, the Amalgamated Pharma Company.

(v) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the respective Amalgamating Pharma Companies are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, vest with and be available to the Amalgamated Pharma Company on the same terms and conditions as were available with the respective

Amalgamating Pharma Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamated Pharma Company, to the end and intent that the right of the relevant Amalgamating Pharma Company to recover or realize the same, stands transferred to the Amalgamated Pharma Company and that appropriate entries should be passed in its books to record the aforesaid changes.

(vi) With respect to the investments made by the respective Amalgamating Pharma Companies in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Amalgamated Pharma Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

(vii) Any claims due to the respective Amalgamating Pharma Companies from their customers or otherwise and which have not been received by the respective Amalgamating Pharma Companies as on the date immediately preceding the Appointed Date as the case may be shall also belong to and be received by the Amalgamated Pharma Company.

24.1.3 For avoidance of doubt, in order to ensure the smooth transition and sales of products and inventory of the Amalgamating Pharma Companies manufactured and/ or branded and/ or labelled and/ or packed in the name of the Amalgamating Pharma Companies prior to the Effective Date, the Amalgamated Pharma Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Amalgamating Pharma Companies at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Amalgamated Pharma Company after the Effective Date.

24.1.4 Notwithstanding the fact that vesting of the Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 occurs by virtue of this Scheme, the Amalgamated Pharma Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or arrangements with any party to any contract or arrangement to which the respective Amalgamating Pharma Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.

24.1.5 On and from the Effective Date and thereafter, the Amalgamated Pharma Company shall be entitled to operate all bank accounts of the Amalgamating Pharma Companies and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the relevant Amalgamating Pharma Company.

24.1.6 It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the respective Amalgamating Pharma Companies have been replaced with that of the Amalgamated Pharma Company, the Amalgamated Pharma Company shall be entitled to operate the bank accounts of the Amalgamating Pharma Companies in the name of the respective Amalgamating Pharma Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the respective Amalgamating Pharma Companies after the Appointed Date shall be accepted by the bankers of the Amalgamated Pharma Company and credited to the account of the Amalgamated Pharma Company, if presented by the Amalgamated Pharma Company. It is hereby expressly clarified that any legal proceedings by or against the Amalgamating Pharma Companies in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the respective Amalgamating Pharma Company shall be instituted, or as the case may be, continued by or against the Amalgamated Pharma Company after the Effective Date.

24.2 TRANSFER OF LIABILITIES

(i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date), all Liabilities, whether or not provided in the books of the respective Amalgamating Pharma Company shall without any further act, instrument or deed be and stand transferred to the Amalgamated Pharma Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Amalgamated Pharma Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the relevant Amalgamating Pharma Company and the Amalgamated Pharma Company undertakes to meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 24.2 of the Scheme.

(ii) Where any of the Liabilities has been partially or fully discharged by the respective Amalgamating Pharma Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Pharma Company, and all liabilities and obligations incurred by the respective Amalgamating Pharma Company after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Amalgamated Pharma Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Amalgamated Pharma Company and shall become the liabilities and obligations of the Amalgamated Pharma Company.

(iii) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between any Amalgamating Pharma Company and the Amalgamated Pharma Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on such Amalgamating Pharma Company and the Amalgamated Pharma Company and the appropriate effect shall be given in the books of account and records of the Amalgamated Pharma Company.

(iv) Any reference in any security documents or arrangements (to which any of the Amalgamating Pharma Companies is a party) to an Amalgamating Pharma Company and its assets and properties, shall be construed as a reference to the Amalgamated Pharma Company and the assets and properties of the respective Amalgamating Pharma Company transferred to the Amalgamated Pharma Company by virtue of this Scheme. Without prejudice to the foregoing provisions, each of the Amalgamating Pharma Companies may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.

(v) Upon the coming into effect of this Scheme, the Amalgamated Pharma Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.

(vi) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Amalgamated Pharma Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

(vii) The provisions of this Clause 24.2 and of Clause 24.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

(viii) Upon the coming into effect of this Scheme, the borrowing limits of the Amalgamated Pharma Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Liabilities transferred by the Amalgamating Pharma Companies to the Amalgamated Pharma Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Amalgamated Pharma Company.

24.3 ENCUMBRANCES

(i) The transfer and vesting of the assets to and in the Amalgamated Pharma Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

(ii) The Encumbrances, if any, existing prior to the Effective Date over the assets of each of the Amalgamating Pharma Companies which secure or relate to the Liabilities of each of the Amalgamating Pharma Companies shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Amalgamated Pharma Company. Provided that if any of the assets of any of the Amalgamating Pharma Companies have not been Encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Amalgamated Pharma Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(iii) The existing Encumbrances over the other assets and properties of the Amalgamated Pharma Company or any part thereof which relate to the liabilities and obligations of the Amalgamated Pharma Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of any of the Amalgamating Pharma Companies transferred to and vested in the Amalgamated Pharma Company by virtue of the Scheme.

(iv) If any Encumbrance of the Amalgamating Pharma Companies exists as on the Appointed Date, but has been partially or fully released thereafter by the respective Amalgamating Pharma Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Amalgamated Pharma Company upon the coming into effect of the Scheme.

(v) Without any prejudice to the provisions of the foregoing Clauses and upon coming into effect of this Scheme, the Amalgamated Pharma Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

25. EMPLOYEES

25.1 On the Scheme becoming effective, all employees of each of the Amalgamating Pharma Companies shall be deemed to have become employees of the Amalgamated Pharma Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated Pharma Company shall not be less favourable than those applicable to them with reference to their employment in the respective Amalgamating Pharma Company on the Effective Date. The services of all employees with the Amalgamating Pharma Companies prior to the Pharma Amalgamations shall be taken into account for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation funds nominated by the Amalgamated Pharma Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Amalgamated Pharma Company, or to the government provident fund in relation to the employees who are not eligible to become members of the provident fund maintained by the Amalgamated Pharma Company.

25.2 It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the respective Amalgamating Pharma Companies are concerned the investments made in the funds and liabilities shall be transferred to the similar funds created and/or nominated by the Amalgamated Pharma Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Amalgamated Pharma Company, maintained as separate funds by the Amalgamated Pharma Company. In the event that the Amalgamated Pharma Company does not have its own funds in respect of any of the above, the Amalgamated Pharma Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds, until such time that the Amalgamated Pharma Company creates its own funds, at which time the funds and the investments and contributions pertaining to the employees shall be transferred to the funds created by the Amalgamated Pharma Company.

25.3 Further to the transfer of funds as set out in Clause 25.2 above, for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the respective Amalgamating Pharma Companies as on the Effective Date in relation to such funds shall become those of the Amalgamated Pharma Company. It is clarified that the services of the employees will be treated as having been continuous for the purpose of the said funds.

25.4 In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees of the Amalgamating Pharma Companies, the Amalgamated Pharma Company shall stand substituted for the Amalgamating Pharma Companies, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.

25.5 Upon the coming into effect of this Scheme, the directors or key managerial personnel of the each of the Amalgamating Pharma Companies will not become directors or key managerial personnel of the Amalgamated Pharma Company merely by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship / or key managerial position of a person who is already a director / or key managerial personnel in the Amalgamated Pharma Company as of the Effective Date, if any.

26. LEGAL PROCEEDINGS

26.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against any of the Amalgamating Pharma Companies is pending on the Effective Date or is instituted any time thereafter, and if such proceedings are capable of being continued by or against the Amalgamated Pharma Company under Applicable Law, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Amalgamated Pharma Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the relevant Amalgamating Pharma Company, as if this Scheme had not been made.

26.2 The Amalgamated Pharma Company undertakes to have all legal or other proceedings initiated by or against any of the Amalgamating Pharma Companies referred to in this Clause 26 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated Pharma Company to the exclusion of the relevant Amalgamating Pharma Company. The Amalgamated Pharma Company shall make relevant applications in this connection.

27. CONTRACTS, DEEDS, ETC.

27.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which any of the Amalgamating Pharma Companies is a party or to the benefit of which any of the Amalgamating Pharma Companies is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Amalgamated Pharma Company and may be enforced by or against the Amalgamated Pharma Company as fully and effectually as if, instead of the respective Amalgamating Pharma Companies, the Amalgamated Pharma Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 27 of the Scheme.

27.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating Pharma Companies occurs by virtue of this Scheme itself, the Amalgamated Pharma Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), instruments, confirmations or other writings or arrangements with any party to any contract or arrangement to which the respective Amalgamating Pharma Companies is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated Pharma Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the relevant Amalgamating Pharma Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Pharma Companies to be carried out or performed.

28. PERMITS, CONSENTS AND LICENSES

28.1 All the licenses, permits, permissions, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted, conferred upon, held or availed of by and all rights and benefits that have accrued to any of the Amalgamating Pharma Companies, and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents received by any of the Amalgamating Pharma Companies, shall, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Amalgamated Pharma Company so as to become as and from the Appointed Date, the estates, assets, licenses, permits, privileges, title, interests and authorities of the Amalgamated Pharma Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the Amalgamated Pharma Company on such approvals, clearances, permissions etc. so as to acknowledge and record the transfer and vesting of the Amalgamated Pharma Undertaking 1 and Amalgamated Pharma Undertaking 2 in the Amalgamated Pharma Company and continuation of operations of the Amalgamating Pharma Companies in the Amalgamated Pharma Company without hindrance and that such approvals, clearances and permissions etc. shall remain in full force and effect in favour of or against the Amalgamated Pharma Company, as the case may be, the Amalgamated Pharma Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Pharma Company and may be enforced as fully and effectually as if, instead of the relevant Amalgamating Pharma Company, the Amalgamated Pharma Company had been a party or recipient or beneficiary or obligee thereto.

28.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Pharma Companies including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Amalgamated Pharma Company as if the same were originally given by, issued to or executed in favour of the Amalgamated Pharma Company, and the Amalgamated Pharma Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Pharma Company. The Amalgamated Pharma Company and/or Amalgamating Pharma Companies shall make necessary applications / file relevant forms to any Appropriate Authority as may be necessary in this behalf.

28.3 Upon this Scheme being effective, the past track record of the respective Amalgamating Pharma Companies, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Amalgamated Pharma Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated Pharma Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

28.4 From the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and / or perfected, in the record of the Appropriate Authority, in favour of the Amalgamated Pharma Company, the Amalgamated Pharma Company is authorized to carry on business in the name and style of the relevant Amalgamating Pharma Company, and under the relevant license and or permit and/or approval, as the case may be, and the Amalgamated Pharma Company shall keep a record and / or account of such transactions.

29. VALIDITY OF EXISTING RESOLUTIONS

29.1 Upon the coming into effect of the Scheme, the resolutions, if any, of any of the Amalgamating Pharma Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Pharma Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Pharma Company, and shall constitute the aggregate of the said limits in the Amalgamated Pharma Company.

30. CANCELLATION OF SHARE CAPITAL

30.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230 to 232 of the Act, the equity shares of each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominees, shall stand cancelled and extinguished without any further act, instrument or deed immediately upon the Scheme coming into effect. It is clarified that no new shares shall be issued or payment made in cash or in kind, whatsoever, by the Amalgamated Pharma Company in lieu of such shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2.

31. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED PHARMA COMPANY

The Amalgamated Pharma Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard - 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act.

(i) The Amalgamated Pharma Company shall record all the assets and liabilities of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 vested in it pursuant to this Scheme, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated Pharma Company. Inter-company balances, loans and advances, if any, will stand cancelled.

(ii) The Amalgamated Pharma Company shall record all reserves of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 vested in it pursuant to this Scheme, in the same form and manner, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated Pharma Company.

(iii) The carrying amount of investments in the equity shares of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by Amalgamated Pharma Company, shall stand cancelled and there shall be no further obligation in that behalf.

(iv) Comparative financial information in the financial statements of the Amalgamated Pharma Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period or from the date of acquisition, whichever is later.

(v) The difference, if any, between the assets, liabilities and reserves acquired in clause (i) and (ii) above and equity shares cancelled as stated in clause (iii) above shall be transferred to capital reserve.

32. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

32.1 With effect from the Appointed Date and pursuant to the Pharma Amalgamations, up to and including the Effective Date, each of the Amalgamating Pharma Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions pertaining to the Amalgamated Pharma Undertakings for and on account of, and in trust for the Amalgamated Pharma Company.

32.2 All profits and income accruing or arising to the Amalgamating Pharma Companies, and losses and expenditure arising or incurred by the relevant Amalgamating Pharma Companies (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Amalgamated Pharma Company.

32.3 Any of the rights, powers, authorities or privileges exercised by the Amalgamating Pharma Companies for the period commencing from the Appointed Date shall be deemed to have been exercised by the Amalgamating Pharma Companies for and on behalf of, and in trust for and as an agent of the Amalgamated Pharma Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Pharma Companies, for the period commencing from the Appointed Date, shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Pharma Company.

32.4 All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, TDS, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax, surcharge, cess, etc.) paid / payable by or refunded / refundable to the each of Amalgamating Pharma Companies with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc. as the case may be, of the Amalgamated Pharma Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS, such as under Sections 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been available to the Amalgamating Pharma Companies, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Pharma Company, and, shall, in all proceedings, be dealt with accordingly.

32.5 Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating Pharma Companies as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the respective Amalgamating Pharma Companies on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Pharma Company accepts and adopts all acts, deeds and things made, done and executed by each of the Amalgamating Pharma Companies as acts, deeds and things made, done and executed by or on behalf of the Amalgamated Pharma Company.

33. DISSOLUTION OF AMALGAMATING PHARMA COMPANIES

33.1 On the Effective Date, each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 shall stand dissolved without being wound-up and without any further act or deed.

PART E – FS AMALGAMATION OF AMALGAMATING FS COMPANY INTO THE AMALGAMATED FS COMPANY

34. TRANSFER AND VESTING

Upon the Scheme becoming effective and with effect from the Appointed Date, the Amalgamating FS Company shall, pursuant to Sections 230 to 232 and other applicable provisions of the Act, if any, and in terms of Section 2(1B) of the IT Act and pursuant to the Sanction Order, without any further act, instrument or deed, stand amalgamated into the Amalgamated FS Company and the Amalgamated FS Undertaking shall be and stand transferred to and vested in or be deemed to be transferred to and vested in the Amalgamated FS Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, the business, undertaking, activities, operations, assets, estate, liabilities, properties, right, title, interest and authorities of the Amalgamated FS Company by virtue of and in the manner set out below.

It is clarified that upon the Scheme becoming effective, subject to obtaining the requisite approval from the RBI, (i) the Amalgamating FS Company shall surrender its license/ certificate of registration to operate as a Non-Banking Financial Company; and (ii) the Amalgamated FS Company shall obtain license / certificate of registration to operate as an NBFC.

34.1 TRANSFER OF ASSETS

34.1.1 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date:

(i) All the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Amalgamating FS Company of whatsoever nature and wheresoever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Amalgamated FS Company and shall be deemed to be transferred to and vested in the Amalgamated FS Company, as a going concern, so as to become, as and from the Appointed Date, the business, undertaking, activities, operations, estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated FS Company.

(ii) All assets, estates, rights, title, claims, investments, interest and authorities acquired by the Amalgamating FS Company, after the Appointed Date and prior to the Effective Date shall also, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, stand transferred to and vested in or be deemed to have been transferred to or vested in the Amalgamated FS Company upon the coming into effect of this Scheme, without any further act, instrument or deed.

34.1.2 Without prejudice to the generality of the above, upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of assets shall be as under:

(i) In respect of such of the assets and properties of the Amalgamating FS Company, as are movable in nature (including shares and marketable securities) or incorporeal property and/or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and/or delivery, the same shall stand so transferred or be deemed to be transferred by delivery or possession or by endorsement and delivery upon the coming into effect of the Scheme, and shall become the assets and property of the Amalgamated FS Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without requiring any deed or instrument of conveyance for transfer of the same.

(ii) In respect of such of the assets and properties belonging to the Amalgamating FS Company (other than those referred to in Clause 34.1.1(ii)) including sundry debtors, actionable claims, receivables, bills, credits (including tax credits), loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person), the same shall stand transferred to and vested in the Amalgamated FS Company and shall be deemed to have been transferred to and vested in the Amalgamated FS Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any. The Amalgamated FS Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Amalgamated FS Company and be paid or made good or held on account of the Amalgamated FS Company as the person entitled thereto.

(iii) All immovable property, whether or not included in the books of the Amalgamating FS Company, whether freehold or leasehold or licensed properties (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest, right of way and easements in relation thereto) of the Amalgamating FS Company shall stand transferred to and be vested in the Amalgamated FS Company or be deemed to be transferred to and be vested in the Amalgamated FS Company automatically without any act or deed to be done or executed by the Amalgamated FS Company and/or the Amalgamating FS Company. All lease or license or rent agreements entered into by the Amalgamating FS Company with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating FS Company, together with security deposits, shall stand automatically transferred in favour of the Amalgamated FS Company on the same terms and conditions, subject to Applicable Law, without any further act, instrument or deed. The Amalgamated FS Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating FS Company. For the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Amalgamated FS Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Amalgamated FS Company pursuant to the Sanction Order and upon the effectiveness of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed. It is clarified that the Amalgamated FS Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution. For the purposes this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the transfer or vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of deed(s) of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme.

(iv) All Intellectual Property and rights thereto of the Amalgamating FS Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the goods or services being dealt with by the Amalgamating FS Company, shall be transferred to, and vest in, the Amalgamated FS Company.

(v) In so far as various incentives, subsidies, exemptions, remissions, reductions, export benefits, all indirect tax related benefits, including GST benefits, service tax benefits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, income tax holiday/ benefit/ losses/minimum alternative tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Amalgamating FS Company are concerned, the same shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act or deed, vest with and be available to the Amalgamated FS Company on the same terms and conditions as were available with the Amalgamating FS Company and as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Amalgamated FS Company, to the end and intent that the right of the Amalgamating FS Company to recover or realize the same, stands transferred to the Amalgamated FS Company and that appropriate entries should be passed in its books to record the aforesaid changes.

(vi) With respect to the investments made by the Amalgamating FS Company in shares, stocks, bonds, warrants, units of mutual funds or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Amalgamated FS Company on the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

(vii) Any claims due to the Amalgamating FS Company from their customers or otherwise and which have not been received as on the date immediately preceding the Appointed Date as the case may be shall also belong to and be received by the Amalgamated FS Company.

34.1.3 Notwithstanding the fact that vesting of the Amalgamated FS Undertaking occurs by virtue of this Scheme, the Amalgamated FS Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or arrangements with any party to any contract or arrangement to which the Amalgamating FS Company was a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.

34.1.4 On and from the Effective Date and thereafter, the Amalgamated FS Company shall be entitled to operate all bank accounts of the Amalgamating FS Company and realize all monies and complete and enforce all pending contracts and transactions.

34.1.5 It is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Amalgamating FS Company have been replaced with that of the Amalgamated FS Company, the Amalgamated FS Company shall be entitled to operate the bank accounts in the name of the Amalgamating FS Company in so far as may be necessary. All cheques and other negotiable instruments, electronic fund transfers (such as NEFT, RTGS, etc.) and payment orders received or presented for encashment which are in the name of the Amalgamating FS Company after the Appointed Date shall be accepted by the bankers of the Amalgamated FS Company and credited to the account of the Amalgamated FS Company, if presented by the Amalgamated FS Company. It is hereby expressly clarified that any legal proceedings by or against the Amalgamating FS Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Amalgamating FS Company shall be instituted, or as the case may be, continued by or against the Amalgamated FS Company after the Effective Date.

34.2 TRANSFER OF LIABILITIES

(i) Upon coming into effect of this Scheme and with effect from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date), all Liabilities, whether or not provided in the books of the Amalgamating FS Company shall without any further act, instrument or deed be and stand transferred to the Amalgamated FS Company to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Amalgamated FS Company, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Amalgamating FS Company and the Amalgamated FS Company undertakes to meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 34.2 of the Scheme.

(ii) Where any of the Liabilities has been partially or fully discharged by the Amalgamating FS Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated FS Company, and all liabilities and obligations incurred by the Amalgamating FS Company after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Amalgamated FS Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Amalgamated FS Company and shall become the liabilities and obligations of the Amalgamated FS Company.

(iii) Without prejudice to the generality of the above, all non-convertible debentures ("**NCDs**"), external commercial borrowings, bonds or other debt securities, commercial paper, and other instruments of like nature (whether convertible into equity shares or not) ("**Debt Securities**") of the Amalgamating FS Company shall without any further act, instrument or deed, become the Debt Securities of the Amalgamated FS Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Amalgamated FS Company as if it was the issuer of such Debt Securities, so transferred and vested. Subject to the requirements, if any, imposed or concessions, if any, by the stock exchanges, and other terms and conditions agreed with the stock exchanges, the NCDs which stand transferred to and vested in the Amalgamated FS Company, shall continue to be listed and/or admitted to trading on the relevant stock exchange, where the NCDs are currently listed, subject to applicable regulations and prior approval requirements, if any. The Amalgamated FS Company shall execute appropriate documents as may be required under Applicable Law for giving effect to the above. The Boards of the Amalgamated FS Company and the Amalgamating FS Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing.

(iv) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a liability including a contingent liability in whatever form), if any, due on the Effective Date between the Amalgamating FS Company and the Amalgamated FS Company shall automatically stand discharged and come to an end and there shall be no liability in that behalf on the Amalgamating FS Company and the Amalgamated FS Company and the appropriate effect shall be given in the books of account and records of the Amalgamated FS Company.

(v) Any reference in any security documents or arrangements (to which the Amalgamating FS Company is a party) to the Amalgamating FS Company and its assets and properties, shall be construed as a reference to the Amalgamated FS Company and the assets and properties of the Amalgamating FS Company transferred to the Amalgamated FS Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Amalgamating FS Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.

(vi) Upon the coming into effect of this Scheme, the Amalgamated FS Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.

(vii) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Amalgamated FS Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

(viii) The provisions of this Clause 34.2 and of Clause 34.3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

(ix) Upon the coming into effect of this Scheme, the borrowing limits of the Amalgamated FS Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Liabilities transferred by the Amalgamating FS Company to the Amalgamated FS Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Amalgamated FS Company.

34.3 ENCUMBRANCES

(i) The transfer and vesting of the assets to and in the Amalgamated FS Company upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

(ii) The Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating FS Company which secure or relate to the Liabilities of the Amalgamating FS Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Amalgamated FS Company. Provided that if any of the assets of the Amalgamating FS Company have not been Encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Amalgamated FS Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(iii) The existing Encumbrances over the other assets and properties of the Amalgamated FS Company or any part thereof which relate to the liabilities and obligations of the Amalgamated FS Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Amalgamating FS Company transferred to and vested in the Amalgamated FS Company by virtue of the Scheme.

(iv) If any Encumbrance of the Amalgamating FS Company exists as on the Appointed Date, but has been partially or fully released thereafter by the Amalgamating FS Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Amalgamated FS Company upon the coming into effect of the Scheme.

(v) Without any prejudice to the provisions of the foregoing Clauses and upon coming into effect of this Scheme, the Amalgamated FS Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

35. EMPLOYEES

35.1 On the Scheme becoming effective, all employees of the Amalgamating FS Company shall be deemed to have become employees of the Amalgamated FS Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated FS Company shall not be less favourable than those applicable to them with reference to their employment in the Amalgamating FS Company on the Effective Date. The services of all employees with the Amalgamating FS Company prior to the FS Amalgamation shall be taken into account for the purposes of all benefits to which the employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation funds nominated by the Amalgamated FS Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Amalgamated FS Company, or to the government provident fund in relation to the employees who are not eligible to become members of the provident fund maintained by the Amalgamated FS Company.

35.2 It is expressly provided that, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Amalgamating FS Company are concerned the investments made in the funds and liabilities shall be transferred to the similar funds created and/or nominated by the Amalgamated FS Company and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Amalgamated FS Company, maintained as separate funds by the Amalgamated FS Company. In the event that the Amalgamated FS Company does not have its own funds in respect of any of the above, the Amalgamated FS Company may, subject to necessary approvals and permissions, continue to contribute to the relevant funds, until such time that the Amalgamated FS Company creates its own funds, at which time the funds and the investments and contributions pertaining to the employees shall be transferred to the funds created by the Amalgamated FS Company.

35.3 Further to the transfer of funds as set out in Clause 35.2 above, for all purposes whatsoever in relation to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Amalgamating FS Company as on the Effective Date in relation to such funds shall become those of the Amalgamated FS Company. It is clarified that the services of the employees will be treated as having been continuous for the purpose of the said funds.

35.4 In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the employees of the Amalgamating FS Company, the Amalgamated FS Company shall stand substituted for the Amalgamating FS Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such employees.

35.5 Upon the coming into effect of this Scheme, the directors/ or key managerial personnel of the Amalgamating FS Company will not become directors or key managerial personnel of the Amalgamated FS Company merely by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship/ or key managerial positions of a person who is already a director / or key managerial personnel in the Amalgamated FS Company as of the Effective Date, if any.

36. LEGAL PROCEEDINGS

36.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against the Amalgamating FS Company is pending on the Effective Date or is instituted any time thereafter, and if such proceedings are capable of being continued by or against the Amalgamated FS Company under Applicable Law, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Amalgamated FS Company, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Amalgamating FS Company, as if this Scheme had not been made.

36.2 The Amalgamated FS Company undertakes to have all legal or other proceedings initiated by or against the Amalgamating FS Company referred to in this Clause 36 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Amalgamated FS Company to the exclusion of the Amalgamating FS Company. The Amalgamated FS Company shall make relevant applications in this connection.

37. CONTRACTS, DEEDS, ETC.

37.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature to which the Amalgamating FS Company is a party or to the benefit of which the Amalgamating FS Company is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Amalgamated FS Company and may be enforced by or against the Amalgamated FS Company as fully and effectually as if, instead of the Amalgamating FS Company, the Amalgamated FS Company had been a party thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 37 of the Scheme.

37.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Amalgamating FS Company occurs by virtue of this Scheme itself, the Amalgamated FS Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), instruments, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating FS Company is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Amalgamated FS Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating FS Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating FS Company to be carried out or performed.

38. PERMITS, CONSENTS AND LICENSES

38.1 All the licenses, permits, permissions, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted, conferred upon, held or availed of by and all rights and benefits that have accrued to the Amalgamating FS Company, and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents received by the Amalgamating FS Company, shall, pursuant to the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Amalgamated FS Company so as to become as and from the Appointed Date, the estates, assets, licenses, permits, privileges, title, interests and authorities of the Amalgamated FS Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with Applicable Law, the Amalgamated FS Company on such approvals, clearances, permissions etc. so as to acknowledge and record the transfer and vesting of the Amalgamated FS Undertaking in the Amalgamated FS Company and continuation of operations of the Amalgamating FS Company in the Amalgamated FS Company without hindrance and that such approvals, clearances and permissions etc. shall remain in full force and effect in favour of or against the Amalgamated FS Company, as the case may be, the Amalgamated FS Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated FS Company and may be enforced as fully and effectually as if, instead of the Amalgamating FS Company, the Amalgamated FS Company had been a party or recipient or beneficiary or obligee thereto.

38.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating FS Company including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Amalgamated FS Company as if the same were originally given by, issued to or executed in favour of the Amalgamated FS Company, and the Amalgamated FS Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated FS Company. The Amalgamated FS Company and/or the Amalgamating FS Company shall make necessary applications / file relevant forms to any Appropriate Authority as may be necessary in this behalf.

38.3 Upon this Scheme being effective, the past track record of the Amalgamating FS Company, including without limitation, the profitability, experience, credentials and market share, shall be deemed to be the track record of the Amalgamated FS Company for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Amalgamated FS Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

38.4 From the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and / or perfected, in the record of the Appropriate Authority, in favour of the Amalgamated FS Company, the Amalgamated FS Company is authorized to carry on business in the name and style of the Amalgamating FS Company, and under the relevant license and or permit and/or approval, as the case may be, and the Amalgamated FS Company shall keep a record and / or account of such transactions.

39. VALIDITY OF EXISTING RESOLUTIONS

39.1 Upon the coming into effect of the Scheme, the resolutions, if any, of any of the Amalgamating FS Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated FS Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated FS Company, and shall constitute the aggregate of the said limits in the Amalgamated FS Company.

40. CANCELLATION OF SHARE CAPITAL

40.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230 to 232 of the Act, the equity shares of the Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders, shall stand cancelled and extinguished without any further act, instrument or deed immediately upon the Scheme coming into effect. It is clarified that no new shares shall be issued or payment made in cash or in kind, whatsoever, by the Amalgamated FS Company in lieu of such shares of the Amalgamating FS Company.

41. ACCOUNTING TREATMENT IN THE BOOKS OF THE AMALGAMATED FS COMPANY

The Amalgamated FS Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard - 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act:

(i) The Amalgamated FS Company shall record all the assets and liabilities of the Amalgamating FS Company vested in it pursuant to this Scheme, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated FS Company. Inter-Company balances, loans and advances, if any, will stand cancelled.

(ii) The Amalgamated FS Company shall record all reserves of the Amalgamating FS Company vested in it pursuant to this Scheme, in the same form and manner, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated FS Company.

(iii) The carrying amount of investments in the equity shares of the Amalgamating FS Company held by Amalgamated FS Company, shall stand cancelled and there shall be no further obligation in that behalf.

(iv) Comparative financial information in the financial statements of the Amalgamated FS Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.

(v) The difference, if any, between the assets, liabilities and reserves acquired in clause (i) and (ii) above and equity shares cancelled as stated in clause (iii) above shall be transferred to capital reserve.

42. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

42.1 With effect from the Appointed Date and pursuant to the FS Amalgamation, up to and including the Effective Date, the Amalgamating FS Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions pertaining to the Amalgamated FS Undertaking for and on account of, and in trust for the Amalgamated FS Company.

42.2 All profits and income accruing or arising to the Amalgamating FS Company, and losses and expenditure arising or incurred (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Amalgamated FS Company.

42.3 Any of the rights, powers, authorities or privileges exercised by the Amalgamating FS Company for the period commencing from the Appointed Date shall be deemed to have been exercised for and on behalf of, and in trust for and as an agent of the Amalgamated FS Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating FS Company, for the period commencing from the Appointed Date, shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated FS Company.

42.4 All Taxes (including but not limited to advance tax, self-assessment tax, regular tax, TDS, minimum alternate tax credits, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, value added tax, sales tax, service tax, goods and service tax, surcharge, cess, etc.) paid/ payable by or refunded/ refundable to the Amalgamating FS Company with effect from the Appointed Date, including all or any refunds or claims shall be treated as the tax liability or refunds/ claims, etc. as the case may be, of the Amalgamated FS Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible including payment admissible on actual payment or on deduction of appropriate taxes or on payment of TDS, such as under Sections 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions, service tax input credits, GST input credits etc., as would have been available to the Amalgamating FS Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated FS Company, and, shall, in all proceedings, be dealt with accordingly.

42.5 Subject to the terms of the Scheme, the transfer and vesting of the Amalgamating FS Company as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated FS Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating FS Company as acts, deeds and things made, done and executed by or on behalf of the Amalgamated FS Company.

43. DISSOLUTION OF AMALGAMATING FS COMPANY

43.1 On the Effective Date, the Amalgamating FS Company shall stand dissolved without being wound-up and without any further act or deed.

PART F - GENERAL TERMS AND CONDITIONS

The provisions of this Part F shall be applicable to the Demerger pursuant to Part C, the Pharma Amalgamations pursuant to Part D and the FS Amalgamation pursuant to Part E hereof.

44. AMENDMENT TO CONSTITUTIONAL DOCUMENTS

44.1 Increase of Authorised Share Capital of PEL

(i) As an integral part of this Scheme and upon this Scheme becoming effective, pursuant to the FS Amalgamation, the authorised share capital of PFPL shall be deemed to be added to the authorised share capital of PEL without any requirement of a further act or deed on the part of PEL (including payment of stamp duty and/or fees payable to the relevant Registrar of Companies).

(ii) The amendments pursuant to this Clause 44.1 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PEL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum and articles of association of PEL and shall not be required to pass separate resolutions under Sections 13, 14 and 61 of the Act or any other applicable provisions of the Act.

44.2 Increase of Authorised Share Capital of PPL

(i) As an integral part of this Scheme and upon this Scheme becoming effective, the authorised share capital of PPL shall automatically stand increased, without any further act, instrument or deed on the part of PPL, such that upon the effectiveness of the scheme the authorised share capital shall be Rs. 3000,00,00,000 (Rupees Three Thousand Crores only) divided into such number and value of equity shares as described in the proposed Clause 5 below. Clause 5 of the memorandum of association of the Resulting Company shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"5. The authorized share capital of the Company is Rs. 3000,00,00,000/- (Rupees Three Thousand Crores only) divided into as follows:

a. Rs. 2629,00,00,000 divided into 262,90,00,000 Equity Shares having face value of Rs. 10/- each;

b. Rs. 350,00,00,000 divided into 35,00,00,000 Preference Shares having face value of Rs. 10/- each; and

c. Rs. 21,00,00,000 divided into 2,10,00,000 unclassified shares having face value of Rs. 10/- each."

(ii) The amendments pursuant to this Clause 44.2 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum and articles of association of PPL and shall not be required to pass separate resolutions under Sections 13, 14 and 61 of the Act or any other applicable provisions of the Act.

44.3 Change in the memorandum of association of PEL

(i) With effect from the Appointed Date and upon the effectiveness of the Scheme, the memorandum of association of PEL (including the objects clause) shall stand altered and amended, without any further act or deed, for the purpose of PEL carrying on the business activities of the Amalgamating FS Company and / or as may be required by Appropriate Authorities for this purpose.

(ii) The amendments pursuant to this Clause 44.3 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PEL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of PEL and shall not be required to pass separate resolutions under Section 13 of the Act or any other applicable provisions of the Act.

44.4 Change in the memorandum of association of PPL

(i) With effect from the Appointed Date and upon the effectiveness of the Scheme, the memorandum of association of PPL (including the objects clause) shall stand altered and amended, without any further act or deed, for the purpose of PPL carrying on the business activities of each of the Amalgamating Pharma Companies and / or as may be required by Appropriate Authorities for this purpose.

(ii) The amendments pursuant to this Clause 44.4 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum of association of PPL and shall not be required to pass separate resolutions under Section 13 of the Act or any other applicable provisions of the Act.

44.5 Amendment of articles of association of PPL

(i) The articles of association of PPL shall stand amended and restated to contain provisions applicable to a listed company and in such form as the Board of PPL may determine.

(ii) The amendments pursuant to this Clause 44.5 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of PPL, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the articles of association of PPL and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Act.

45. CHANGE IN CAPITAL STRUCTURE

45.1 Without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and including the date of allotment of shares pursuant to this Scheme, none of the Companies shall make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) or decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way, affect the issuance of shares under the Scheme, except under any of the following circumstances:

(i) by mutual written consent of the respective Boards of PEL, PPL, HPPL, CCPL and PFPL; or

(ii) as may be expressly permitted under this Scheme; or

(iii) as may be required under any other scheme of arrangement entered into by any of the Companies, under Sections 230 to 232 of the Act.

45.2 In the event of any such change in share capital of the Companies before the Scheme comes into effect, the Share Entitlement Ratio shall be appropriately adjusted to take into account the effect of such issuance or corporate actions.

46. APPLICATION TO NCLT

46.1 The Companies shall, without undue delay, make all necessary applications to SEBI/ Stock Exchanges in connection with the Scheme and make applications and petitions to jurisdictional NCLT for sanctioning this Scheme under Sections 230 to 232 of the Act, including seeking such orders for convening and holding or alternatively, dispensing with requirements for convening and holding meetings of the shareholders and/ or creditors of the Companies as may be directed by the NCLT and obtain such other approvals, as required by Applicable Law.

46.2 The Companies shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Companies, which the Companies may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Companies.

47. MODIFICATION OR AMENDMENTS TO THE SCHEME

47.1 The Companies (acting through their Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, modify, vary or withdraw this Scheme at any time prior to the Effective Date in any manner (including pursuant to any direction by any Appropriate Authority under Applicable Law), provided that any modification to or variation of the Scheme by the Companies, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT and/or or any other Appropriate Authorities as may be required under Applicable Law.

47.2 Each of the Companies agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of any of the Companies, be binding on each of the Companies, as the case may be, except where the prior written consent of the affected party i.e. PEL, PPL, HPPL, CCPL or PFPL, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by PEL, PPL HPPL, CCPL or PFPL, as the case may be.

47.3 In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any Clause of this Scheme, or otherwise, the Boards of the Companies shall have complete power to mutually take the most sensible interpretation so as to render the Scheme operational.

47.4 If the Companies are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI of such modification or any further modifications as may be required by SEBI.

47.5 PEL and PPL (through their respective Boards) shall determine jointly whether any asset, liability, employee, legal or other proceedings form part of the Demerged Undertaking or not, on the basis of any evidence that they may deem relevant for this purpose.

48. DIVIDENDS

48.1 Each of the Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

48.2 Prior to the effectiveness of the Scheme, the holders of the shares of each of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

48.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Companies to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of the Companies, and subject to the approval, if required, of the respective shareholders of such of the Companies.

49. CONDITIONALITY OF THE SCHEME

49.1 Part C and Part D of this Scheme are and shall be conditional upon and subject to:

(i) the sanction or approval of the Appropriate Authorities in respect of this Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on expiry of any statutory time period pursuant to which such approval is deemed to have been granted. It is clarified that the reference to Appropriate Authority in this clause for the purposes of Part C and Part D shall be deemed to exclude the RBI;

(ii) the Scheme being approved by the requisite majority of members and/or creditors (where applicable) of (a) the Demerged Company and the Resulting Company for Part C; and (b) the Amalgamated Pharma Company and the Amalgamating Pharma Companies for Part D; in accordance with the Act, SEBI Scheme Circular and as may be directed by the NCLT. The Scheme is conditional upon the Scheme being approved by the public shareholders of PEL through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020;

(iii) the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transactions contemplated under this Scheme;

(iv) the Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and other relevant provisions of the Act; and

(v) the certified/authenticated copies of the Sanction Order(s) of the NCLT approving this Scheme being filed with the Registrar of Companies.

49.2 Part E of this Scheme is and shall be conditional upon and subject to:

(i) the sanction or approval of the Appropriate Authorities (including RBI) in respect of this Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

(ii) the Scheme being approved by the requisite majority of members and/or creditors (where applicable) of the Amalgamated FS Company and the Amalgamating FS Company in accordance with the Act, SEBI Scheme Circular and as may be directed by the NCLT. The Scheme is conditional upon the Scheme being approved by the public shareholders of PEL through e-voting in terms of Part – I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020;

(iii) the fulfilment, satisfaction or waiver (as the case may be) of any approvals from third parties mutually agreed by the Companies as being required for completion of the transactions contemplated under this Scheme;

(iv) the receipt of a certificate of registration / license by the Amalgamated FS Company, i.e. PEL, to operate as a non-banking financial company from the RBI;

(v) the Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and other relevant provisions of the Act; and

(vi) the certified/authenticated copies of the Sanction Order of the NCLT approving this Scheme being filed with the Registrar of Companies.

50. EFFECT OF NON-RECEIPT OF APPROVALS

50.1 In the event that the aforementioned conditions set out in Clause 49.2 above are not satisfied (or to the extent permissible under Applicable Law, waived) on or before the last day on which the all the conditions mentioned in Clause 49.1 are satisfied (or to the extent permissible under Applicable Law, waived), the Boards of the respective Companies shall, at their sole discretion, have the option to:

(i) withdraw and cancel the entire Scheme and declare it terminated and of no effect; or

(ii) revoke, cancel and sever Part E of the Scheme (and declare it terminated and of no effect) and give effect to only Part C and Part D of the Scheme; or

(iii) give effect to only Part C and Part D of the Scheme on the last day on which all the conditions mentioned in Clause 49.1 are satisfied (or to the extent permissible under Applicable Law, waived) and separately give effect to Part E on the last day on which the all the conditions mentioned in Clause 49.2 are satisfied (or to the extent permissible under Applicable Law, waived).

50.2 Part C and Part D of the Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 49.1 above are satisfied (or to the extent permissible under Applicable Law, waived). Part E of the Scheme shall not come into effect unless the aforementioned conditions mentioned in Clause 49.2 above are satisfied (or to the extent permissible under Applicable Law, waived). In the event of any of the sanctions and approvals referred to in Clause 49 not being obtained (or to the extent permissible under Applicable Law, waived) and/ or the Scheme not being sanctioned by NCLT or such other competent authority and/ or the Sanction Order(s) not being passed by the NCLT as aforesaid on or prior to March 31, 2023 or such other date as may be agreed upon in writing between the Companies (through their respective Boards) ("**Long Stop Date**"), any of the Companies may opt to terminate this Scheme and the Scheme shall stand revoked, cancelled and be of no effect and any of the Companies, if required, may file appropriate proceedings before the NCLT in this respect.

50.3 Upon the termination of this Scheme or any of its Parts as set out in Clause 50.1 and Clause 50.2 above, no rights and liabilities shall accrue to or be incurred by respective Companies or their shareholders or creditors or employees or any other person. In such case, each Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

50.4 Without prejudice to the generality of the aforesaid Clause, the Companies (jointly and not severally) shall be at liberty to withdraw this Scheme at any time as may be mutually agreed by the respective Boards of the Companies prior to the Effective Date.

51. REMOVAL OF DIFFICULTIES

51.1 The Companies through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

(i) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and/or

(ii) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

52. RESIDUAL PROVISIONS

52.1 The Companies shall be entitled to file/ revise its respective income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax deducted at source, dividend distribution tax credits, credit of foreign taxes paid/ withheld, excise, service tax credits, set off, sales tax, value added tax, etc., if any, as may be required consequent to implementation of this Scheme.

52.2 Upon this Scheme becoming effective, the accounts of the Companies, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

52.3 The relevant Companies, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Demerged Company, Amalgamating Pharma Company 1, Amalgamating Pharma Company 2, Amalgamating FS Company or the Amalgamated Pharma Company / Amalgamated FS Company / Resulting Company. It is hereby clarified that if the consent or endorsement of any third party or Appropriate Authority, if any, is required to give effect to the provisions of this Clause 52.3, the said third party or Appropriate Authority shall make and duly record the necessary substitution / endorsement in the name of the Amalgamated Pharma Company / Amalgamated FS Company/ Resulting Company, pursuant to the sanction of this Scheme, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Amalgamated Pharma Company / Amalgamated FS Company / the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

53. SEVERABILITY

53.1 Each Part of the Scheme is independent of other Parts and is severable. The Scheme shall be effective only upon passing of the Sanction Order by the NCLT. However, (i) failure of any one Part for lack of necessary approval from the members, creditors or any Appropriate Authority or for any other reason that the concerned Board may deem fit; or (ii) the concerned Boards coming to the conclusion that it shall be inexpedient or inefficient to give effect to any Part or any transaction contemplated therein, shall not result in the whole Scheme failing. It shall be open to the concerned Boards to consent to sever such Part(s) of the Scheme or any transaction contemplated therein and implement the rest of the Scheme with such modification.

53.2 If any part of this Scheme is found to be unworkable or unenforceable for any reason whatsoever, the same shall not, subject to the decision of the Companies through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

54. COSTS, CHARGES & EXPENSES

Except as otherwise provided anywhere in this Scheme, PEL and PPL shall bear all costs, charges and expenses, in relation to or in connection with or incidental to this Scheme including, without limitation, stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein in equal proportion.

Annexure 2

REPORT ADOPTED BY THE BOARD OF DIRECTORS ("BOARD") OF PIRAMAL ENTERPRISES LIMITED EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

Background:

1. The Board of Directors of Piramal Enterprises Limited, upon consideration of the recommendations of Audit & Risk Management Committee ("**Audit Committee**") and Committee of Independent Directors, had approved the composite scheme of arrangement under Sections 230 to 232 and other applicable provisions of the of the Companies Act, 2013 ("**Act**") and Sections 2(19AA) and 2(1B) of the Income-tax Act, 1961 between Piramal Enterprises Limited ("**PEL**" or "**Company**" or "**Demerged Company**" or "**Amalgamated FS Company**"), Piramal Pharma Limited ("**PPL**" or "**Resulting Company**" or "**Amalgamated Pharma Company**"), Convergence Chemicals Private Limited ("**CCPL**" or "**Amalgamating Pharma Company 1**"), Hemmo Pharmaceuticals Private Limited ("**HPPL**" or "**Amalgamating Pharma Company 2**"), PHL Fininvest Private Limited ("**PFPL**" or "**Amalgamating FS Company**") and their respective shareholders and creditors ("**Scheme**"), at its meeting held on October 7, 2021.

2. The Scheme *inter alia* provides for:

   (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) from PEL, i.e. the Demerged Company into PPL, i.e. the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the share entitlement ratio (as approved and set out in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Resulting Company forming part of the Demerger Undertaking shall stand cancelled;

   (b) the amalgamation of CCPL i.e. the Amalgamating Pharma Company 1 and HPPL i.e. the Amalgamating Pharma Company 2, both being wholly-owned subsidiaries of PPL, with PPL, i.e. the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

   (c) the amalgamation of PFPL, i.e. Amalgamating FS Company, a wholly-owned subsidiary of PEL, into PEL, i.e. Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

   (d) various other matters consequential or integrally connected therewith;

3. This Report has been adopted by the Board in connection with the said Scheme.

4. In terms of Section 232(2)(c) of the Companies Act, 2013, this report, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-

promoter shareholders, is required to be circulated for the meetings ordered by the Hon'ble National Company Law Tribunal ('**NCLT**').

5. For the purpose of making this Report, the Board has, considered and taken on record the following documents:

   (a) Draft Scheme;

   (b) the Registered Valuer's Report dated 6th October 2021 issued by Drushti R. Desai of Bansi S. Mehta & Co., Registered Valuer, IBBI Registration No. IBBI/RV/06/2019/10666 ("**Registered Valuer's Report**");

   (c) the Fairness Opinion dated 7th October 2021 issued by ICICI Securities Limited, a SEBI Registered Category I Merchant Banker bearing Registration No. INM000011179 ("**Fairness Opinion**");

   (d) Certificates dated 7th October 2021, from the statutory auditor of the Company certifying that the accounting treatment in the Scheme is in accordance with the accounting standards and applicable law;

   (e) Report of the Audit Committee of the Board dated 7th October 2021; and

   (f) Report of the Committee of Independent Directors dated 7th October 2021.

Report

A. Rationale of the Scheme:

1. The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

2. Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).

3. The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

4. In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

5. In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single Non-Banking Financial Company entity which is regulated by the Reserve Bank of India (subject to requisite approvals), and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

6. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

B. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of PEL:

- Shareholders

1. The Company has only equity shareholders and does not have any preference shareholders.

2. Upon the Scheme becoming effective, in consideration of transfer and vesting of the Demerged Undertaking from PEL to PPL in terms of the Scheme, and based on Registered Valuer's Report and Fairness Opinion, PPL shall issue and allot equity shares to the equity shareholders of PEL as per the following share entitlement ratio ("**Share Entitlement Ratio**"):

   "for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL" ("**Share Entitlement Ratio**")

   The shares of PPL (including those issued and allotted to the shareholders of PEL as above) are proposed to be listed on the BSE Limited and the National Stock Exchange of India Limited (collectively "**Stock Exchanges**"), subject to receipt of necessary approvals.

3. Upon the Scheme becoming effective *inter alia*:

   (i) Pursuant to the Demerger, which *inter alia* entails the transfer of the Demerged Undertaking, including the equity shares held by PEL in PPL (representing PEL's strategic investment in PPL) to PPL, the existing shareholding of PEL in PPL shall stand cancelled without any further act, instrument or deed.

   (ii) Pursuant to the amalgamation of PFPL with PEL, the equity shares of PFPL held by PEL, shall stand cancelled. No new shares shall be issued, or payment of any kind be made as consideration in lieu of PFPL amalgamating with PEL.

   Accordingly, there will be no impact on the shareholders of PEL due to the said amalgamations.

- Promoters/Non-Promoters

4. Upon the Scheme becoming effective, the shareholding of the promoters and non-promoters of PEL will remain similar to the pre-Scheme shareholding in PEL. The promoters and non-promoters of PEL will receive shares in PPL in accordance with the Share Entitlement Ratio. The promoters of PEL will become the promoters of PPL post listing of the equity shares of PPL on the Stock Exchanges. The promoters of PEL will be treated on par with the other equity shareholders of the Company.

- Directors/Key Managerial Personnel (KMP)

5. There will be no change in the Director(s)/ KMP(s) of PEL pursuant to Scheme.

6. None of the Director(s)/ KMP(s) of the Company has/have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding, if any, in the companies involved in the Scheme.

C. Difficulties in Valuation, if any:

1. The Share Entitlement Ratio is as recommended in the Registered Valuer's Report.

2. No special valuation difficulties were reported.

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

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

Bipin Singh
Company Secretary

Date: 07.10.2021

REPORT ADOPTED BY THE BOARD OF DIRECTORS ("BOARD") OF PIRAMAL PHARMA LIMITED EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ("REPORT")

Background:

1. The Board of Directors of Piramal Pharma Limited, upon consideration of the recommendations of Audit Committee ("**Audit Committee**"), approved the composite scheme of arrangement under Sections 230 to 232 and other applicable provisions of the of the Companies Act, 2013 ('**Act**') and Sections 2(19AA) and 2(1B) of the Income-tax Act, 1961 between Piramal Enterprises Limited ("**PEL**" or "**Demerged Company**" or "**Amalgamated FS Company**"), Piramal Pharma Limited ("**Company**" or "**PPL**" or "**Resulting Company**" or "**Amalgamated Pharma Company**"), Convergence Chemicals Private Limited ("**CCPL**" or "**Amalgamating Pharma Company 1**"), Hemmo Pharmaceuticals Private Limited ("**HPPL**" or "**Amalgamating Pharma Company 2**"), PHL Fininvest Private Limited ("**PFPL**" or "**Amalgamating FS Company**") and their respective shareholders and creditors ("**Scheme**"), at its meeting held on October 7, 2021.

2. The Scheme *inter alia* provides for:

   (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) from PEL, i.e. the Demerged Company into PPL, i.e. the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the share entitlement ratio (as approved by the Boards of the Company and PEL and set out in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Company forming part of the Demerger Undertaking, shall stand cancelled;

   (b) the amalgamation of CCPL i.e. the Amalgamating Pharma Company 1 and HPPL i.e. the Amalgamating Pharma Company 2, both being wholly-owned subsidiaries of the Company, with the Company, i.e. the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

   (c) the amalgamation of PFPL, i.e. Amalgamating FS Company, a wholly-owned subsidiary of PEL, into PEL, i.e. Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

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Piramal

(d) various other matters consequential or integrally connected therewith;

3. This Report has been adopted by the Board in connection with the said Scheme.

4. In terms of Section 232(2)(c) of the Companies Act, 2013, this Report, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders, is required to be circulated for the meetings ordered by the Hon'ble National Company Law Tribunal ('**NCLT**').

5. For the purpose of making this Report, the Board has, considered and taken on record the following documents:

   (a) Draft Scheme;

   (b) the Registered Valuer's Report dated 6th October 2021 issued by Drushti R. Desai of Bansi S. Mehta & Co., Registered Valuer, IBBI Registration No. IBBI/RV/06/2019/10666 ("**Registered Valuer's Report**");

   (c) the Fairness Opinion dated 7th October 2021 issued by ICICI Securities Limited, a SEBI Registered Category I Merchant Banker bearing Registration No. INM000011179 ("**Fairness Opinion**");

   (d) Certificates dated 7th October 2021, from the statutory auditor of the Company certifying that the accounting treatment in the Scheme is in accordance with the accounting standards and applicable law; and

   (e) Minutes of the meeting of the Audit Committee of the Board dated 6th October 2021.

<u>Report</u>

A. <u>Rationale of the Scheme:</u>

1. The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

2. Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).

3. The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

4. In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

5. In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single Non-Banking Financial Company which is regulated by the Reserve Bank of India (subject to requisite approvals), and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

6. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

B. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of the Company:

- Shareholders

1. The Company has eight equity shareholders (including nominee shareholders of the promoter shareholder) and does not have any preference shareholders.

2. Upon the Scheme becoming effective:

   (a) In consideration of transfer and vesting of the Demerged Undertaking from PEL to PPL in terms of the Scheme, and based on Registered Valuer's Report and Fairness Opinion, PPL shall issue and allot equity shares to the equity shareholders of PEL as per the following share entitlement ratio ("**Share Entitlement Ratio**"):

   "for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL" ("**Share Entitlement Ratio**")

   (b) The shares of PPL (including those issued and allotted to the shareholders of PEL as above) are proposed to be listed on the BSE Limited and the National Stock Exchange of India Limited (collectively "**Stock Exchanges**"), subject to receipt of necessary approvals.

   (c) Pursuant to the Demerger, which *inter alia* entails the transfer of the Demerged Undertaking, including the equity shares held by PEL in PPL (representing PEL's strategic investment in PPL) to PPL, the existing shareholding of PEL in PPL shall stand cancelled without any further act, instrument or deed.

   (d) Pursuant to the amalgamation of CCPL and HPPL with PPL, the equity shares in each of CCPL and HPPL held by PPL, shall stand cancelled. No new shares shall be issued, or payment of any kind be made as consideration in lieu of CCPL and HPPL amalgamating with PPL. Accordingly, there will be no impact on the shareholders of PPL due to the Pharma Amalgamations.

- Promoters/Non-Promoters

3. The Promoter of PPL is PEL. Upon the Scheme becoming effective:

   (a) Pursuant to the Demerger, which *inter alia* entails the transfer of the Demerged Undertaking, including the equity shares held by PEL in PPL (representing PEL's strategic investment in PPL) to PPL, the existing shareholding of PEL in PPL shall stand cancelled without any further act, instrument or deed; and

   (b) The promoters and non-promoter shareholders of PEL will receive shares in PPL in accordance with the Share Entitlement Ratio. The promoters of PEL will become the promoters of PPL post listing of the equity shares of PPL on the Stock Exchanges, as per applicable law. The promoters of PPL will be treated on par with the other equity shareholders of the Company.

- Directors/Key Managerial Personnel (KMP)

1. There will be no change in the Director(s)/ KMP(s) of the Company pursuant to Scheme. The Director(s) / KMP(s) of the Company may change as per business and regulatory requirements.

2. The employees of CCPL and HPPL will become employees of the Company, however, the Director(s) / KMP(s) of CCPL and HPPL respectively will not become Director(s) / KMP(s) in the Company merely by virtue of the provisions of the Scheme.

3. None of the Director(s)/ KMP(s) of the Company has/have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding, if any, in the companies involved in the Scheme.

C. Difficulties in Valuation, if any:

1. The Share Entitlement Ratio is as recommended in the Registered Valuer's Report.

2. No special valuation difficulties were reported.

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For and on behalf of the Board of Directors of **Piramal Pharma Limited**

Vivek Valsaraj
Chief Financial Officer
Date: 7th October, 2021

Convergence
Chemicals Pvt. Ltd.
Creating Value through Specialty Chemicals

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF CONVERGENCE CHEMICALS PRIVATE LIMITED EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ("REPORT")

Background:

1. The Board of Directors ("**Board**") approved the composite scheme of arrangement under Sections 230 to 232 and other applicable provisions of the of the Companies Act, 2013 ("**Act**") and Sections 2(19AA) and 2(1B) of the Income-tax Act, 1961 between Piramal Enterprises Limited ("**PEL**" or "**Demerged Company**" or "**Amalgamated FS Company**"), Piramal Pharma Limited ("**PPL**" or "**Resulting Company**" or "**Amalgamated Pharma Company**"), Convergence Chemicals Private Limited ("**Company**" or "**CCPL**" or "**Amalgamating Pharma Company 1**"), Hemmo Pharmaceuticals Private Limited ("**HPPL**" or "**Amalgamating Pharma Company 2**"), PHL Fininvest Private Limited ("**PFPL**" or "**Amalgamating FS Company**") and their respective shareholders and creditors ("**Scheme**"), at its meeting held on October 7, 2021.

2. The Scheme *inter alia* provides for:

   (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) from PEL, i.e. the Demerged Company into PPL, i.e. the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the share entitlement ratio (as approved by the Boards of PEL and PPL and set out in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Resulting Company forming part of the Demerger Undertaking, shall stand cancelled;

   (b) the amalgamation of CCPL i.e. the Amalgamating Pharma Company 1 and HPPL i.e. the Amalgamating Pharma Company 2, both being wholly-owned subsidiaries of PPL, with PPL, i.e. the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

   (c) the amalgamation PFPL, i.e. Amalgamating FS Company, a wholly-owned subsidiary of PEL, into PEL, i.e. Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

   (d) various other matters consequential or integrally connected therewith;

3. This Report has been adopted by the Board in connection with the said Scheme.

Convergence Chemicals Private Limited
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Convergence Chemicals Pvt. Ltd.
Creating Value through Specialty Chemicals

4. In terms of Section 232(2)(c) of the Act, this Report, explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("**KMP**"), promoters and non-promoter shareholders, is required to be circulated for the meetings ordered by the Hon'ble National Company Law Tribunal ("**NCLT**").

Report

A. Rationale of the Scheme:

1. The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

2. Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).

3. The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

4. In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making.

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Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

5. In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single Non-Banking Financial Company which is regulated by the Reserve Bank of India (subject to requisite approvals), and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

6. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

B. Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of the Company:

- Shareholders

1. The Company has only equity shareholders (being PPL along with its nominee shareholder) and does not have any preference shareholders.

2. The Company is a wholly owned subsidiary of PPL. Upon effectiveness of the Scheme, the equity shares of the Company held by PPL and its nominee shareholder, shall stand cancelled, in the manner set out in the Scheme. No new shares are to be issued or payment to be made in cash or in kind by the Company to PPL in connection with the Pharma Amalgamations.

- Promoters

3. The Company is a wholly owned subsidiary of PPL and therefore, the Promoter of the Company is PPL. Upon effectiveness of the Scheme, the equity shares of the Company held by PPL and its nominee shareholder, shall stand cancelled, in the manner set out in the Scheme.

- Directors/Key Managerial Personnel (KMP)

4. Due to dissolution of the Company without winding up upon effectiveness of the Scheme, the Company will not exist upon effectiveness of the Scheme.

5. The employees of the Company will become employees of PPL, however, the Director/KMP(s) of the Company will not become Director(s)/KMP(s) of PPL merely by virtue of the provisions of the Scheme.

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Creating Value through Specialty Chemicals

6. None of the Director(s)/ KMP(s) has/have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding, if any, in the companies involved in the Scheme.

C. <u>Difficulties in Valuation, if any:</u>

1. Since no new shares are being issued by the Company to PPL in connection with the Pharma Amalgamations, there is no valuation involved.

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For and on behalf of the Board of Directors of **Convergence Chemicals Private Limited**

Akshita Jain

Akshita Jain
Company Secretary
Date: October 7, 2021

HEMMO
PHARMA

Hemmo Pharmaceuticals Private Limited

Regd. Office : 113-115,Turf Estate, 3/65, Off Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011.
Tel. : 91 22 6902 6200 CIN NO.: U17100MH1979PTC021857
E-mail : hemmoin@mtnl.net.in • Website : hemmopharma.com

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF HEMMO PHARMACEUTICALS PRIVATE LIMITED EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ("REPORT")

Background:

1. The Board of Directors ("**Board**") approved the composite scheme of arrangement under Sections 230 to 232 and other applicable provisions of the of the Companies Act, 2013 ("**Act**") and Sections 2(19AA) and 2(1B) of the Income-tax Act, 1961 between Piramal Enterprises Limited (**"PEL"** or **"Demerged Company"** or **"Amalgamated FS Company")**, Piramal Pharma Limited (**"PPL"** or "**Resulting Company**" or "**Amalgamated Pharma Company**"), Convergence Chemicals Private Limited ("**CCPL**" or "**Amalgamating Pharma Company 1**"), Hemmo Pharmaceuticals Private Limited ("**Company**" or "**HPPL**" or "**Amalgamating Pharma Company 2**"), PHL Fininvest Private Limited ("**PFPL**" or "**Amalgamating FS Company**") and their respective shareholders and creditors ("**Scheme**"), at its meeting held on October 7, 2021.

2. The Scheme *inter alia* provides for:

   (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) from PEL, i.e. the Demerged Company into PPL, i.e. the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the share entitlement ratio (as approved by the Boards of PEL and PPL and set out in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Resulting Company forming part of the Demerger Undertaking shall stand cancelled;

   (b) the amalgamation of CCPL i.e. the Amalgamating Pharma Company 1 and HPPL i.e. the Amalgamating Pharma Company 2, both being wholly-owned subsidiaries of PPL, with PPL, i.e. the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

   (c) the amalgamation of PFPL, i.e. Amalgamating FS Company, a wholly-owned subsidiary of PEL, into PEL, i.e. Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

   (d) other matters consequential or integrally connected therewith;

HEMMO PHARMA

Hemmo Pharmaceuticals Private Limited

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3. This Report has been adopted by the Board in connection with the said Scheme.

4. In terms of Section 232(2)(c) of the Act, this Report, explaining the effect of the Scheme on each class of shareholders, key managerial personnel (**"KMP"**), promoters and non-promoter shareholders, is required to be circulated for the meetings ordered by the Hon'ble National Company Law Tribunal (**"NCLT"**).

Report

A. Rationale of the Scheme:

1. The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

2. Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).

3. The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

4. In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making.

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Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

5. In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single Non-Banking Financial Company which is regulated by the Reserve Bank of India (subject to requisite approvals), and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

6. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

B. <u>Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of the Company:</u>

- <u>Shareholders</u>

1. The Company has only equity shareholders (being PPL along with its nominee shareholder) and does not have any preference shareholders.

2. The Company is a wholly owned subsidiary of PPL. Upon effectiveness of the Scheme, the equity shares of the Company held by PPL and its nominee shareholder, shall stand cancelled, in the manner set out in the Scheme. No new shares are to be issued or payment to be made in cash or in kind by the Company to PPL in connection with the Pharma Amalgamations.

- <u>Promoters</u>

3. The Company is a wholly owned subsidiary of PPL and therefore, the Promoter of the Company is PPL. Upon effectiveness of the Scheme, the equity shares of the Company held by PPL and its nominee shareholder, shall stand cancelled, in the manner set out in the Scheme.

- <u>Directors/Key Managerial Personnel (KMP)</u>

4. Due to dissolution of the Company without winding up upon effectiveness of the Scheme, the Company will not exist upon effectiveness of the Scheme.

HEMMO
PHARMA

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5. The employees of the Company will become employees of PPL, however, the Director(s)/KMP(s) will not become Director(s)/KMP(s) of PPL merely by virtue of the provisions of the Scheme.

6. None of the Director(s)/ KMP(s) has/have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding, if any, in the companies involved in the Scheme

C. Difficulties in Valuation, if any:

1. Since no new shares are being issued by the Company to PPL in connection with the Pharma Amalgamations, there is no valuation involved.

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For and on behalf of the Board of Directors of **Hemmo Pharmaceuticals Private Limited**

A. A. Bapat

Amit Bapat
Authorized Person
Date: October 7, 2021

Piramal
PHL Fininvest

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PHL FININVEST PRIVATE LIMITED EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 ("REPORT")

Background:

1. The Board of Directors (**"Board"**), upon consideration of the recommendations of the Audit and Risk Management Committee, approved the composite scheme of arrangement under Sections 230 to 232 and other applicable provisions of the of the Companies Act, 2013 (**"Act"**) and Sections 2(19AA) and 2(1B) of the Income-tax Act, 1961 between Piramal Enterprises Limited (**"PEL"** or **"Demerged Company"** or **"Amalgamated FS Company"**), Piramal Pharma Limited (**"PPL"** or "**Resulting Company**" or "**Amalgamated Pharma Company**"), Convergence Chemicals Private Limited ("**CCPL**" or "**Amalgamating Pharma Company 1**"), Hemmo Pharmaceuticals Private Limited ("**HPPL**" or "**Amalgamating Pharma Company 2**"), PHL Fininvest Private Limited ("**Company**" or "**PFPL**" or "**Amalgamating FS Company**") and their respective shareholders and creditors ("**Scheme**"), at its meeting held on October 7, 2021.

2. The Scheme *inter alia* provides for:

   (a) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) from PEL, i.e. the Demerged Company into PPL, i.e. the Resulting Company, the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the share entitlement ratio (as approved by the Boards of PEL and PPL and set out in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Resulting Company forming part of the Demerger Undertaking shall stand cancelled;

   (b) the amalgamation of CCPL i.e. the Amalgamating Pharma Company 1 and HPPL i.e. the Amalgamating Pharma Company 2, both being wholly-owned subsidiaries of PPL, with PPL, i.e. the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

   (c) the amalgamation of the Company, i.e. Amalgamating FS Company, a wholly-owned subsidiary of PEL into PEL, i.e. Amalgamated FS Company, and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

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PHL Fininvest

(d) various other matters consequential or integrally connected therewith;

3. This Report has been adopted by the Board in connection with the said Scheme.

4. In terms of Section 232(2)(c) of the Companies Act, 2013, this Report, explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("**KMP**"), promoters and non-promoter shareholders, is required to be circulated for the meetings ordered by the Hon'ble National Company Law Tribunal ("**NCLT**").

Report

A. Rationale of the Scheme:

1. The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

2. Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and indirectly (including through subsidiaries and associate companies).

3. The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

4. In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge CCPL and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

5. In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single Non-Banking Financial Company which is regulated by the Reserve Bank of India (subject to requisite approvals), and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

6. In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the NCLT and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

B. <u>Effect of the Scheme on equity shareholders (promoter and non-promoter shareholders) and Key Managerial Personnel of the Company:</u>

- <u>Shareholders</u>

1. The Company has only equity shareholders which hold equity shares along with its joint shareholders and does not have any preference shareholders.

2. The Company is a wholly owned subsidiary of PEL. Upon effectiveness of the Scheme, the equity shares of the Company held by PEL and its joint shareholders, shall stand cancelled, in the manner set out in the Scheme. No new shares are to be issued or payment to be made in cash or in kind by the Company to PEL in connection with the FS Amalgamation.

- <u>Promoters</u>

3. The Company is a wholly owned subsidiary of PEL and therefore, the Promoter of the Company is PEL. Upon effectiveness of the Scheme, the equity shares of the Company held by PEL and its joint shareholders, shall stand cancelled, in the manner set out in the Scheme.

Piramal
PHL Fininvest

- Directors/Key Managerial Personnel (KMP)

4. Due to dissolution of the Company without winding up upon effectiveness of the Scheme, the Company will not exist upon effectiveness of the Scheme.

5. The employees of the Company will become employees of PEL, however, the Director/KMP(s) of the Company will not become Director(s)/KMP(s) of PEL merely by virtue of the provisions of the Scheme.

6. None of the Director(s)/ KMP(s) has/have any material interest, concern or any other interest in the Scheme except to the extent of their shareholding if any, in the companies involved in the Scheme.

C. Difficulties in Valuation, if any:

1. Since no new shares are being issued by the Company to PEL in connection with the FS Amalgamation, there is no valuation involved.

The Board has adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For and on behalf of the Board of Directors of **PHL Fininvest Private Limited**

Bhoudhari

Devesh Choudhari
Chief Financial Officer

Date: 7th October 2021

PHL Fininvest Private Limited
CIN : U67120MH1994PTC078840
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Annexure 3

PRE-SCHEME SHAREHOLDING PATTERN OF PIRAMAL ENTERPRISES LIMITED

Sr. No.	Category	Pre-arrangement	
		No. of shares	%
(A)	**Promoter and Promoter Group**		
1	**Indian**		
(a)	Individuals / Hindu Undivided Family	5,79,721	0.24
(b)	Bodies Corporate	10,32,20,994	43.25
	Sub Total(A)(1)	**10,38,00,715**	**43.49**
2	**Foreign**	-	-
	Sub Total(A)(2)	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**10,38,00,715**	**43.49**
(B)	**Public shareholding**		
1	**Institutions**		
(a)	Mutual Funds	52,14,642	2.18
(b)	Financial Institutions / Banks	4,149	0.00
(c)	Insurance Companies	1,47,38,077	6.18
(d)	Alternate Investment Funds	1,90,229	0.08
(f)	Foreign Portfolio Investors (Corporate) / FIIs	8,36,06,741	35.03
(g)	Foreign Banks	333	0.00
	Sub-Total (B)(1)	**10,37,54,171**	**43.47**
2	**Central Government/ State Government(s)**	273	0.00
	Sub-Total (B)(2)	**273**	**0.00**
3	**Non-Institutions**		
(a)	Individuals		
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakh	1,89,62,190	7.95
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	23,35,918	0.98
(b)	NBFCs registered with RBI	8,970	0.00
(c)	Others		
i.	Trusts	1,51,033	0.06
ii.	Foreign Nationals	559	0.00
iii.	Hindu Undivided Family	4,15,101	0.17
iv.	Non Resident Indians	13,42,352	0.56
v.	Clearing Members	1,19,330	0.05
vi.	Foreign Portfolio Investor (Individual)	8,702	0.00
vii.	IEPF	8,08,461	0.34
viii.	Body Corporate - Limited Liability Partnership	6,36,192	0.27
ix.	Overseas Bodies Corporate	43,28,887	1.81
x.	Unclaimed Suspense Account	851	0.00
xi.	Bodies Corporate	10,62,031	0.44
	Sub-Total (B)(3)	**3,01,80,577**	**12.65**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**13,39,35,021**	**56.12**
(C)	**Non-promoter non-public holding**		
i.	Employee Benefit Trust	9,27,964	0.39
	Total non-promoter non-public holding (C)	**9,27,964**	**0.39**
	Grand Total (A)+(B)+(C)	**23,86,63,700**	**100.00**

Note: The shareholding pattern of the Company would not change as a consequence of the implementation of the Scheme and would remain same as the pre-scheme shareholding pattern. Therefore, expected post-scheme shareholding is not provided separately.

Annexure 4

PRE & POST SCHEME SHAREHOLDING PATTERN OF PIRAMAL PHARMA LIMITED

Sr. No.	Category	Pre-arrangement		Post Arrangement	
		No. of shares	%	No. of shares	%
(A)	**Promoter and Promoter Group**				
1	**Indian**				
(a)	Individuals / Hindu Undivided Family			23,18,884	0.19
(b)	Bodies Corporate	94,72,49,806*	79.8751	41,30,14,092	34.61
	Sub Total(A)(1)	**94,72,49,806**	**79.8751**	**41,53,32,976**	**34.80**
2	**Foreign**	-	-	-	-
	Sub Total(A)(2)	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**94,72,49,806**	**79.8751**	**41,53,32,976**	**34.80**
(B)	**Public shareholding**				
1	**Institutions**				
(a)	Mutual Funds	-	-	1,93,74,436	1.62
(b)	Financial Institutions / Banks	-	-	17,612	0.00
(c)	Insurance Companies	-	-	6,06,10,512	5.08
(d)	Alternate Investment Funds	-	-	4,21,684	0.04
(f)	Foreign Portfolio Investors (Corporate) / FIIs	-	-	33,38,09,004	27.97
(g)	Foreign Banks	-	-	1,332	0.00
	Sub-Total (B)(1)	-	-	**41,42,34,580**	**34.71**
2	**Central Government/ State Government(s)**	-	-	**852**	**0.00**
	Sub-Total (B)(2)	-	-	**852**	**0.00**
3	**Non-Institutions**				
(a)	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakh	-	-	7,20,77,772	6.04
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	-	99,91,300	0.84
(b)	NBFCs registered with RBI	-	-	37,780	0.00
(c)	Others				
i.	Trusts	-	-	4,57,828	0.04
ii.	Foreign Nationals	-	-	2,036	0.00
iii.	Hindu Undivided Family	-	-	16,18,688	0.14
iv.	Non Resident Indians	-	-	47,52,760	0.40
v.	Clearing Members	-	-	14,44,264	0.12
vi.	Foreign Portfolio Investor (Individual)	-	-	34,808	0.00
vii.	IEPF	-	-	32,34,244	0.27
viii.	Body Corporate - Limited Liability Partnership	-	-	25,94,396	0.22
ix.	Overseas Bodies Corporate	-	-	25,59,79,248	21.45
x.	Unclaimed Suspense Account	-	-	3,424	0.00
xi.	Bodies Corporate	23,86,63,700	20.1249	65,68,200	0.55
	Sub-Total (B)(3)	**23,86,63,700**	**20.1249**	**35,87,96,748**	30.07
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**23,86,63,700**	**20.1249**	**77,30,32,180**	64.78
(C)	**Non-promoter non-public holding**				
i.	Employee Benefit Trust	-	-	49,53,344	0.42
	Total non-promoter non-public holding (C)	**0**	**0.00**	**49,53,344**	**0.42**
	Grand Total (A)+(B)+(C)	**1,18,59,13,506**	**100.00**	**119,33,18,500**	**100.00**

**Includes shares held by nominees of PEL*

Annexure 5

PRE-SCHEME SHAREHOLDING PATTERN OF CONVERGENCE CHEMICALS PRIVATE LIMITED

Sr. No.	Category	Pre-arrangement	
		No. of shares	%
(A)	**Promoter and Promoter Group**		
(i)	Individuals/Hindu undivided Family	0	0.00
(ii)	Bodies Corporate	7,00,10,000*	100.00
(B)	**Public**	0	0.00
	Total	**7,00,10,000**	**100.00**

**The entire share capital of CCPL is held by PPL and its nominee shareholder.*

Note: Upon the coming into effect of the Scheme, CCPL, shall stand dissolved without winding up and the equity shares of CCPL shall stand cancelled without any further act or deed.

Annexure 6

PRE-SCHEME SHAREHOLDING PATTERN OF HEMMO PHARMACEUTICALS PRIVATE LIMITED

Sr. No.	Category	Pre-arrangement	
		No. of shares	%
(A)	**Promoter and Promoter Group**		
(i)	Individuals/Hindu undivided Family	0	0.00
(ii)	Bodies Corporate	29,075*	100.00
(B)	**Public**	0	0.00
	Total	**29,075**	**100.00**

**The entire share capital of HPPL is held by PPL and its nominee shareholder.*

Note: Upon the coming into effect of the Scheme, HPPL shall stand dissolved without winding up and the equity shares of HPPL shall stand cancelled without any further act or deed.

Annexure 7

PRE-SCHEME SHAREHOLDING PATTERN OF PHL FININVEST PRIVATE LIMITED

Sr. No.	Category	Pre-arrangement	
		No. of shares	%
(A)	**Promoter and Promoter Group**		
(i)	Individuals/Hindu undivided Family	0	0.00
(ii)	Bodies Corporate	62,86,84,777*	100.00
(B)	**Public**	0	0.00
	Total	**62,86,84,777**	**100.00**

**The entire share capital of PFPL is held by PEL and its joint shareholders.*

Note: Upon the coming into effect of the Scheme, PFPL shall stand dissolved without winding up and the equity shares of PFPL shall stand cancelled without any further act or deed.

Annexure 8

LIST OF LITIGATION

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
1.	Complaint No. 1497(C) of 2002 (CJM, Patna) CR. MISC. 39409/2016 (HC, Patna) CR. MISC. 39485/2016 (HC, Patna)	Loknath Ratnakar Vs ICI India Limited & others including Nicholas Piramal India Limited (NPIL)	Complaint under Sections 420, 406 and 120B of the Indian Penal Code, 1860 filed by consignment agent against the company post termination of agency contract by NPIL and legal notice sent for recovery of dues and documents.	Discharge application under Section 249 Cr.P.C. seeking discharge is pending. Matter is pending.
2.	Complaint No 2522(C) of 2002 (CJM, Patna)	Loknath Ratnakar Vs NPIL and others	Complaint for offences under Sections 420, 406 and 120-B, of the Indian Penal Code, 1860 filed by distributor on the grounds that the Company has taken a road permit through the complainant, but has supplied products directly to its distributor and not through the complainant.	Judicial file is not traceable and therefore the court is not proceeding. Complaint lodged before the registrar, Patna Civil Court regarding missing of the file
3.	Cr. Complaint No. 12/ 2004 (MM, New Delhi.) CRL. CASE no. 08/2004 (District & Sessions Judge, Rohini District Courts, Delhi. MM Tis Hazari Courts, Delhi Complaint No. 12 of 2004. Matter is transferred in MM, Rohini District Court (due to change in Jurisdiction of courts) under CC no. 9085 of 2016 Crl. M.C 4207 / 2018(HC, Delhi)	Rohit Bajpai Vs. Kewal Bajaj & Ors. Connected matter: H. C., E. O. Cri. J., Cri. Misc. Case No.5149-51 of 2006 C.C. No. 9085/2016 CRL.CASE No. /2004 (Court of MM, Tis Hazari Court, Delhi.) Rohit Bajpai Vs NPIL and others	Drugs Inspector, Drugs Control Department, New Delhi has filed criminal complaint under Section 18(a) (i) and section 27 (d) of the Drugs and Cosmetics Act, 1940 alleging that Tixylix children's cough linctus was found to be not of standard quality.	Matter is pending.
4.	Criminal Case No.35/2006 Criminal Case No.No.36/2006 Cr.M.P. no.88 of 2007 (HC of Jharkhand, Ranchi) Cr.M.P. no.91 of 2007 (HC of Jharkhand, Ranchi).	State V/s. M/s. Chaudhary Medical, CFA & Others, Ranchi and State V/s. M/s. Sai Associates, CFA & Others, Ranchi Mr. Anand Agarwala-CFA of NPIL vs State of Jharkhand, Ms. Anjani Kumar Drug Inspector, Mrs. Ritu Sahay Drug Inspector	Drug Inspector filed a complaint against the C&F Agent, Ranchi on the grounds that goods were not supplied to the institutions in whose names the goods were billed but were sold in the open market by different agents.	Proceedings have been stayed. Matter is pending.
5.	CC No.1900 of 2013 Private Complaint being CCSR No.1684 of 2011	Adv. G. Srinivas Reddy vs PEL and Retailer M/s. Latha Medical & General	Complaint filed that the product Gatri 200 mg tablets containing the API Gatifloxacin was sold to customer whereas by a Gazette Notification dated 16th March,	Proceedings have been stayed. Matter is pending.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
	CRLP No. 2615 of 2014 (PEL), Spl. Mobile Court-Cum XI MM, Cyberabad, L B Nagar. Crl.MP.no. 2352 of 2014 in CRLP.no.2615 of 2014	Stores, Dilsukhnagar, Ranga Reddy District PEL vs State of Andhra Pradesh Mr. G. Srinivas Reddy	2011 bearing GSR No.218(E), CG had prohibited the manufacture, sale and distribution of the drug Gatifloxacin formulation for systemic use in human by any route including oral and injectables.	
6.	Before the Court of Judicial Magistrate, Daltonganj C.G. No. 19 of 2010 U/s. 27 (d), 18 (a) (i), 18 (a) (vi) of Drugs & Cosmetics Act, 1940 & Rule 65 (1) (d) HC Petitions: Cr. M.P No. 2984 of 2014 Cr.M.P.No 275 /2015 Cr.M.P.No 284 of 2015	Drug Inspector Palamu before the Court of Judicial Magistrate, Daltonganj. Jharkhand State Drug Dept V/s. PHL and others PHL and others V/s. State of Jharkhand Mr. Kumar Rajneesh Singh Mr. Luv Kr Kamra CFA V/s. State of Jharkhand Mr. Kumar Rajneesh Singh Mr. Anand Agrawala CFA V/s. State of Jharkhand Mr. Kumar Rajneesh Singh	Complaint filed by the Drug Inspector State of Jharkhand with respect to usage of Nicholas name and logo on the label of Phensedyl product.	Matter is pending.
7.	CJM, Palakkad Kerala. Summons No.A1.1067/09/DI/PKD – C.C. No. 93/2016 Crl. M.C. No. 2191/2017 Crl. M.A. No.3063/2017 in Crl. M.C. No. 2191/2017	State through the Drug Inspector, Palakkad Vs. M/s Piramal Healthcare Limited (PHL) & Ors PEL and others Vs. State of Kerala	Summons forwarded by the Office of Drug Inspector, Palakkad, Kerala for appearance before the CJM, Palakkad Kerala. Summons received in the name of Piramal Healthcare Baddi, Represented by Executive Director and Chief Financial Officer Mr. Santhanam	Proceedings have been stayed. Matter is pending.
8.	C.C.no.09/2016 Case is filed or transferred on 19th Feb 2014 (Special Court)) Now is transferred to Ld. ASJ-Sopore, Kashmir vide order dated 13.10.2017. State v O.P. Sule & Ors.; [Session Case 10/2018]	State, through Drug Inspector Vs O.P. Sule & Ors. State, through Drug Inspector vs O.P. Sule (NPIL) Shabir Ahmad Daar (Prop. M S Al-Hayat CFA for NPIL (Zirakhpur Punjab)	Additional Sessions Judge, Barmulla for contravention of S.18(a) (i) of the D&C Act 1940.	Matter is pending.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
9.	C.C. No. 2795 of 2016 CRL OP No. 44587 of 2016 (Filing no) Crl. OP No. 23409/2016 (Registration no.) (Madras HC)	Drug Inspector Vadapalani Range V/s. B. Sanjay Kumar & others including PEL.	Show cause memo issued by Drug Inspector Vadapalani Range Chennai for supplying products to distributor who did not have a valid license to store and distribute drug products.	Matter is pending.
10.	CC.No 1 of 2017 and CC.No. 2 of 2017 before CJM, Tiruvallur CrOP No. 4189 & 4190 of 2017 and Crl. MP. No. 3099 & 3100 of 2017 (Madras HC) Cr.OP No. 4192 & 4193 of 2017 and Crl. MP. No. 3103 & 3104 of 2017 (Madras HC) SLP (Criminal) titled as "VIJAY SHAH vs. THE STATE OF TAMIL NADU" filed 05.04.2022. Diary No. 10625-2022. SLP (Criminal) titled as "P. KALISELVAN vs. THE STATE OF TAMIL NADU" filed 08.04.2022. Diary No. 11097-2022.	Factory Inspector Vs Mr. Vijay Shah Mr. Kalaiselvan	Complaint filed by Factory Inspector for incident in Ennore in 2016.	Matter is currently pending.
11.	Ranchi CJM, Case No. 375/2010 Cr. M.P. No. 3221 of 2018 (HC, Ranchi.	UOI, Ministry of Health and Family Welfare & Ors. Health Department of Government of Jharkhand (Complainants) vs. M/s. Scott Edil Pharmacia Ltd., BoD of Scott Edil Pharmacia Ltd., Piramal Healthcare Ltd, BoD of Piramal Healthcare Ltd. Cr. M.P. No. 3221 of 2018 (in High Court of Ranchi Piramal Enterprises Ltd. vs. The State of Jharkhand.	State of Jharkhand (through the Medicine Inspector, Ranchi), filed complaint, before the Sub-Divisional Judicial Magistrate against inter alia the PEL, for supply of medicines to institutions other than those billed.	Proceedings have been stayed. Matter is pending.
12.	CC. NO. 582 of 2019, in JMFC, Zaheerabad.	Telangana State Pollution Control Board Rep. by	Complaint was filed by TSPCB against the PEL in Judicial First Class Magistrate Court	Matter is pending.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
		Engineer B.V. Bhadra Girish Vs. PEL	Zaheerabad under the Water Prevention and Control of Pollution) Act, 1974 & Environmental Pollution Act.	
13.	Show Cause Notice from SEBI – Jyoti Bhatia Case Company application no. 12 of 2016 in Company Petition no. 20 of 2013. (Matter pending before NCLT)	Jyoti Bhatia vs PEL	Dispute in relation to alleged non receipt of bonus shares.	Hearings concluded. Matter is yet to be listed thereafter.
14.	Writ Petition no. 2715 of 2007 Bombay High Court.	Boehringer Manheim (India) Limited (BMIL) vs. Union of India, Ministry of Chemicals and Fertilizers	Pertains to demand notice issued to BMIL (which merged with the Company in 1996) for recovery of INR 31,317,817/- on the grounds of overcharging.	Matter is pending.
15.	Case no. P-1195 Case Number: WP / 6772W / 2018. CPAN / 801 / 2019 (Appellate Side), Kolkata High Court	PEL vs. Union of India, Ministry of Health and Family Welfare and Ors.	Show cause notice from the Chief Medical Officer, Government Medical Store Depot, Kolkata in relation to batch of Becozym C Forte tablets alleged not to be of standard quality.	Matter is pending
16.	NBA/Tech Appl/9/856/16/18-19/2861, dated November 2, 2018	National Biodiversity Authority ("NBA")	Notice issued alleging violation of section 3(2) of the Biological Diversity Act, 2002 ("BD Act"), which relates to the approval requirement for companies having non-Indian participation in their share capital or management, access biological resources.	Reply filed by PEL. No further update
17.	NBA/Tech Appl/9/396/10/18-19/2938 Dated: 05.11.2018 Murraya Koenigii	NBA	Notice issued alleging violation of section 3(2) of the BD Act, which relates to the approval requirement for companies having non-Indian participation in their share capital or management, access biological resources, and section 6 of the BD Act, which relates to requirement of obtaining prior approval before applying for an intellectual property right.	Reply filed by PEL. No further update
18.	NBA/Tech Appl/9/121/07/18-19/3039, dated November 9, 2018.	NBA	Notice issued alleging violation of section 3(2) of the BD Act, which relates to the approval requirement for companies having non-Indian participation in their share capital or management, access biological	Matter pending.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
			resources, and section 6 of the BD Act, which relates to requirement of obtaining prior approval before applying for an intellectual property right.	
19.	Notice Sr/Biodiversity Board/B.A.B.S.SALE/ M-111/2019/445, dated February 7, 2019.	Madhya Pradesh State Biodiversity Board	Notice issued directing company to provide detailed list of all raw materials used by the Company along with payment details for the procurement of these raw materials.	No further update
20.	Suit No. 73 of 2003 (Civil) before Civil Judge (Senior Division) Guwahati SLP No. 23816 of 2007 before Hon'ble Supreme Court of India	Zenith Drugs and Allied Sciences Private Limited vs. PEL	Money suit filed against PEL and Rhone Poulnec (India) Ltd claiming INR 20,00,00,000/- with interest at 18%. PEL has made a counterclaim of INR 60,51,494/-.	The Supreme Court in SLP 23816 of 2007 has set aside order of the High Court in favour of PEL and the Money Suit No. 73 of 2003 stands restored. PEL is yet to receive communication from Civil Judge about the restoration of Suit No. 73 of 2003.
21.	Title Suit No. 180/ 1997 and Civil Revision Petition 500/ 2006 (District Judge Sr. Division No. 2, Guwahati)	P.N. Pharma vs Roche Products Ltd.	Title suit filed for recovery of security deposit. Suit was decreed with interest and cost (INR 11,61,813.54/-) and execution case was filed.	Matter pending
22.	TA No. 8 of 2003 (before the Debt Recovery Tribunal, Delhi)	Karur Vysaya Bank, creditor of CRB vs. Capital Market Ltd. and Others	Suit filed regarding payments of lease rentals, machineries and motor vehicles taken on lease by RPIL from CRB to the official liquidator amounting to INR 12,03,739/-.	Await update in matter.
23.	Suit No. 105280 of 2007 (Converted from Suit No. 1885 of 2007 before the Bombay High Court) (In 2012, the matter was transferred to the City Civil Court, Mumbai)	Macleods Pharmaceuticals Ltd. vs PHL	Suit filed alleging that a publication issued by PEL in respect of its product 'Esogard' maligns the reputation of their product 'Rabemac DSR'. injunction and damages worth INR 1,00,00,000/- has been claimed.	Matter is currently pending at evidence stage.
24.	SPL. Civil Suit No. 399/2015 (before Court of Civil Judge, Senior Division, Thane)	Savai Printers Pvt. Ltd. vs Swan Sweets Pvt. Ltd. and PHL	Special Civil Suit filed by the Plaintiff against Swan and PEL alleging non-payment of INR 8,97,600/-	Matter is pending.
25.	Special Civil Suit No. 18/ 2013 (before the Court of Adhoc First Additional Civil Judge, Senior Division, Margao)	Borkar Colorpacks Private Limited vs Gum Pharma Private Limited, Candico (I) Private Limited and PHL	Suit filed by the Plaintiff against Gum Pharma, Candico and PEL alleging non-payment of INR 2,11,120/-	Matter is pending.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
26.	Commercial Suit No. 445 of 2017 and connected matter of Commercial Suit No. 410 of 2019 (before the ordinary, original civil jurisdiction in the Hon'ble High Court of Bombay.)	PEL vs. Badder Schulz Laboratories	Badder sent a notice to PEL for withholding dispatch of a product that was to be supplied by PEL claiming INR 2,00,00,000/- interest @ 18%. p.a.. PEL had filed a suit on March 28, 2019 for recovery of INR 10,617,250/- along with 18% interest from Rupesh Rane and INR 30,38,965/- from the Respondent.	Matter is pending.
27.	Suit – Short Cause Civil under Registration No. 100842 of 2017 before Bombay City Civil Court) of 2017 in SC No. 842 of 2017 Commercial Suit No. 370 of 2016 (filed by PEL before the HC Bombay) Criminal Complaint No. 4180/SS/2013 by PEL at MM, Bhoiwada, Dadar.	Augustine Fernandes vs PEL PEL vs Augustine Fernandes	Suit filed by Augustine Fernandes post settlement discussions failed in the Section 138, Negotiable Instruments Act, 1881, proceedings.	The court was informed about a settlement. Next date of the matter is June 15, 2022.
28.	Money Suit No. 100 of 2018 (before Civil Judge, Senior Division, First at Krishnagar, Nadia.)	Sadhan Ghosh Proprietor, M/s Ghosh Medical Agency vs. PEL, Mr. Lab Kangra (Luv Kamra), Mr. Monojit Saha, manager of PEL, Head Office	Money suit against PEL and its representatives for recovery of INR 84,232/-	Next date of hearing is 28.09. 2022.
29.	O.A.624/2020, DRT-I Delhi	Kotak Mahindra Bank Limited. Vs M/S Sanatan Logistics Pvt Ltd. & Ors.[DRT-I Matter] Respondent 26 – PEL	Claim made to recover amounts on the grounds that Piramal owed Sanatan Rs. 64,04,202/-.	Next date 26.07.2022.
30.	OS No. 21 of 2022, Junior Civil Judge, Zaheerabad	Ashok & Others vs. PEL and others	Complaints alleging pollution.	Next date in matter is 10.06.2022.
31.	CS (OS) No.258 of 2008, Delhi High Court	Modi- Mundipharma Pvt. Ltd vs M/s. Accent Pharma and the Company	Suit filed against M/s. Accent Pharma and the Company inter-alia for an order of permanent injunction restraining the Company from selling, manufacturing, marketing or in any manner dealing directly and indirectly in medicinal and pharmaceuticals preparations and products including bottles, labels etc., bearing the colour combination similar to the colour combination of the Modi-	Matter is pending for final arguments.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
			Mundipharma for the Company's Controlled Release Nitroglycerine tablet bottles of 6.4 mg and 2.6 mg.; for damages on account of loss of sales for a sum of Rs.20,05,000/- , for rendition of accounts of profits and other relief as prayed for therein.	
32.	OP No.98/2010 OP No. 634/2010 OP No. 1379/2010 in City Civil Court, Hyderabad	M/s. Piramal Healthcare Limited V/s. M/s. Offshore Infrastructures Ltd and three others	Offshore Industrial Construction Private Limited has made claims in arbitration against Canere Active and Fine Chemicals Private Limited (since merged with NPIL) aggregating approximately Rs. 80.0 million in relation to seven erection, procurement and construction contracts. The Company has made a counter claim of Rs. 350 million. The company has been awarded to pay an amount of approx. Rs. 3 Crores to Offshore Industrial against which company has filed petition challenging the arbitral awards.	The said awards have been challenged by us and the matter is pending before Hyderabad Civil Court. Matter is pending.
33.	Complaint No: 267 / 2007	Vinayak Healthcare Private Limited vs. NPIL	Consumer complaint for defective product and seeking replacement.	Pending for final hearing
34.	Complaint No. 217 of 2007 (before District Consumer Disputes Redressal Forum, Faizabad)	Mr. Bhola Nath Gupta	Consumer complaint claiming compensation of INR 20,00,000/-	The matter is pending for hearing.
35.	Mr. S. Madhavan VS Piramal Enterprises Limited	Consumer Forum, Chennai	Consumer complaint claiming compensation of Rs.86,000/-.	The matter is pending for hearing and final disposal.
36.	Consumer Case No. 37 of 2008, Etawah	Dr. V. D. Gupta VS Shri Jagdish Shah, M/s. Ezra Brothers (acquired by Piramal on 21st February, 2007)	Consumer Complaint against M/S Ezra Brothers (which has now been acquired by us) regarding defective product	Pending for filing of additional evidence.
37.	Complaint O. P. (P.L.) Permanent Lok Adalath, Thiruvananthapuram No.427 of 2009 W.P. (Civil) No. 12103/2011 in High Court at Ernakulam	Holy Cross Hospital vs Sr. VP, GM-Diagnostics, The Sales Manager Piramal Healthcare Ltd,, James Varghese, Diagnostic Network & Automation (erstwhile Distributor for Ezra Brothers).	Complaint on grounds that the Company ought to supply free consumables. Amount claimed Rs 10 lakhs	Order directing the Company to pay an amount of Rs. 1,65,000/- to the Complainant. The Company has challenged this order before the High Court by filing a Writ Petition. Pending for final hearing.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
38.	Complaint No. 41/2011 and Execution Application No. 09/2012 for execution. (before District Consumer Disputes Redressal Forum, Jyotibaphule Nagar, U.P.)	Mr. Mahipal Singh vs. PEL	Consumer complaint in relation to Trustyl syrup	Matter pending.
39.	First Appeal No. 1757/2016 with IA 2324/2017 (before the National Consumer Redressal Commission, New Delhi)	ATC Logistical Solutions Private Limited PHL vs. The Oriental Insurance Company Ltd. (OICL)	Matter pertains to goods damaged during transportation	For final argument.
40.	LPA No. 122 of 2015 in SCA No. 1255 of 2001 with CA No. 1138 of 2015 Ahmedabad High Court	Collector	Writ Petition is filed by the Company challenging the notices and order dated 17/01/2001 passed by the Collector demanding payment of deficit stamp duty with penalty aggregating to over Rs.4 Crores plus interest @24% p. a. on the two Deeds of Assignment of Trade Marks	The Writ Petition is pending for final hearing.
41.	Before the Bombay HC - Writ Petition No.5493 of 2006	Nicholas Piramal India Ltd. vs. Chief Controlling Revenue Authority, Maharashtra State, Pune ("CCRA") & anr.	Writ Petition filed in the High Court of Bombay against the order of the Chief Controlling Revenue Authority making a demand of Rs. 5.37 Crores towards stamp duty	Writ Petition is directed to be listed for hearing and final disposal. Matter is pending.
42.	National Pharmaceuticals Pricing Authority.	NPPA	A demand aggregating Rs. 5.3 million has been made against the Company by NPPA in respect of Gentamycin Sulphate, out of which the Company has paid an amount of Rs. 1.0 million.	No further update on this matter.
43.	GMSD, Kolkata.	Show Cause Notice AR/SCN/336-2017/P-5, Dated, 28/08/2017 2, Recall Intimation: No. AR/ Recall/ 335-2017/P-5 dated 28/8/2017	Show Cause notice, Test Report and Recall notices dtd: 28.08.2017 received by Piramal Enterprises Limited as manufactures of Supradyn batch which is alleged not to be of standard quality	No further update.
44.	GMSD, Kolkata.	1. Letter from GMSD Kolkata, having reference no: 14(F-18)/RS/Debarment/2017-18/9530 dated: 24.01.2018 2. Letter No. RS-14(F-18) Show Cause	Show Cause notice dated 22.12.2017, was received from GMSD Kolkata as manufactures of Becozym C Forte batch alleged not to be of standard quality	No further update.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
		Notice/201\76-18/8794 dated 22/12/2017 3. CDTL Test Report No.32-5/2017-SS/SZE-406/2656 dated: 25/08/2017		
45.	Legal Metrology - M.P – Sehore.Office.	Notice No. 158/W&M/Prosecution dated: 07/06/2018 & Notice No. 24/W&M/Prosecution dated: 10/01/2018	Notice is received from Office of Legal Metrology - M.P – Sehore. For Isabgol Husk Powder	The reply from the Inspector is awaited. No further update.
46.	Office of Commissioner of Customs Nhava Sheva, Customs Mumbai.	1.SCN. No. 260/2018-19/DBK issued by [Office of Commissioner of Customs Nhava Sheva, Customs Mumbai Dated: 23.05.2018; F.No.S/12-Gen-Misc-654/18-19 DBK. 2. SCN cum demand Notice – C.No. VIII(10)15/ADC/ADJ/CUS/WB/18-19/8574P Dated: 19.06.2018 issued by the Office of Commissioner of Customs Kolkata, Customs House. 3] F.No. SIIB/Gen-44/2018-19 ACC(X) Dated: 12.07.2018	Showcause notices received on the issue of misclassification of Multivitamin & Micronutrient Powder resulting in higher duty drawback being availed	Hearing took place on 29.12.2020. Matter is referred for adjudication and same would be taken upon merits.
47.	Food Safety and Drugs Administration Pilibhit.	Show Cause notice F0S0D0A/adhomanak/2017-18/25(1-2) dated 18.04.2018	Show Cause notice received for Neko Soap as distributor for the product	No further update.
48.	Notice send by M/s. Medinne Belle.	Notices dated: 23/06/2018 from Medinnbelle Herbalcare (P) Ltd [through their director Mr. Davinder Kumar Singhal]	Legal notice issued by M/s. Medinne Belle threatning criminal and civil action including recovery of Rs. 3.95 crores paid to Mr. sanjay Chetwani in furtherance to the offer by PEL and Rs. 33,000/- as costs	No further update.
49.	Administrative Officer (Appeals) from Office of Commissioner of Customs, Chennai.	Vide Order dated: 14.06.2017: Order-In-Original No 15/2017 C.No. IV/16/41/2016-Adjn Case New Doc 2017-04-11	Vide Order dated: 14.06.2017: Order-In-Original No 15/2017 C.No. IV/16/41/2016-Adjn issued by the Office of Commissioner of Customs, Chennai. Duty Demand: Amount of Rs. 1,55,63,903/- being Import duty on the Rhodium	No further update.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
			Octanoate Dimer & Solvias Ligand, kept beyond the warehousing period (3 yrs from the date of import) with applicable interest.	
50.	Deputy Director – Directorate of Revenue Intelligence Kolkata Zonal Unit.	DRI/KZU/CF/(INT-09)/2017/4061 Dated: 13.07.2018 received 17/.07.2018.	Notice issued by Deputy Director – Directorate of Revenue Intelligence Kolkata Zonal Unit alleging irregular availment of benefit of exemption of Integrated Tax & goods & Service tax compensation Cess under Customs Notification No. 79/2017 dated 13.10..2017 – with a request to submit data	No further update
51.	Joint commissioner [K.D.] Maharashtra FDA Thane.	Joint commissioner [K.D.] Maharashtra FDA Thane being No: D&C/NSQ/lacto/257(A)-2018/Z-1 dated 12/7/2018	Letter received regarding Lacto Calamine batch not being of Standard quality.	No further update
52.	Office of Comm of Customs, Air Cargo.	Office of Comm of Customs, Air Cargo Customs by Office of Comm of Customs, Air Cargo Customs against our Imports dated 11.10.2011.	Demand notice issued by Office of Comm of Customs, Air Cargo Customs against Imports dated 11.10.2011 instructing PEL to pay duties and applicable interest charges along with Customs warehouse charges from the date of import till today. The total amount comes to Rs. ~35.3 L.	No further update
53.	Drugs Inspector of Tamil Nadu.	Ref.No. 971/DI/PNR,PNE-I i/c/2019 dated 28.6.2019 received on 06.07.2019	Letter received from Drugs Inspector of Tamil Nadu state, stating misbranded of product Vitamin A Solution by Govt. analyst.	No further update
54.	NPPA	Ref: DMK/Saridon Tablets/103/2019/Z.-Date: 28.05.2019	Notice alleging contravention of: 1. DPCO 2013 r/w Essential Commodities Act 1955 – Saridon+ Tablets-Marketing of formulation without price approval from NPPA 2. D&C Act 1940 and rules thereunder Saridon Tablet / Saridon+ Tablet – change of API in drug formulation but retailing the same brand name.	No further update
55.	Batch of Supradyn MH 3080	CDSCO	Supradyn Tablet - Batch no. MH 3080 in the list of Not of Standard Quality drugs on the CDSCO website [Sr. 18 – Annexure A]	No further update
56.	Legal Metrology - Notice no: LM/ACP/152-	Legal Metrology Inspector Poonch, Jammu & Kashmir	Notice from legal metrology inspector Poonch, Jammu & Kashmir for Neko Daily Hygiene soap.	Reply filed with authorities.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
	159/2019 dated 23.09.2019			
57.	Ref:477 /Dated: 17/01/19. Notice no: 280 Dated: 07/05/2019	Legal Metrology Inspector Ballia Uttar Pradesh	Notices from Legal Metrology Inspector Ballia Uttarpradesh forJungle Magic Handsanitizer First notice compounded and the while replying to subsequent notice ref. of same was given.	No further update.
58.	Legal Metrology Notice no: 441 Notice No: 440 dated 02.09.2020.	Senior Inspector, Legal Metrology Weights and Measures, Balrampur, UP	Notices from legal metrology inspector Balrampur, UP for Little's Baby diaper Advertisement.	Reply filed with authorities.
59.	Legal Metrology Notice no: 181	Legal Metrology inspector, Legal Metrology Weights and Measures, Basti, UP	Notice from legal metrology Senior Inspector Basti, UP for Little's Baby diaper Advertisement dated 06.03.2020 in Dianik Bhaskar	Reply filed with authorities.
60.	Legal Metrology notice.Second Notice having reference No. 104 dated 27.8.2020	Legal Metrology officer, Legal Metrology Weights and Measures Kanpur, UP	Notice from legal metrology Senior Inspector Kanpur, UP for Little's Baby diaper Advertisement dated 06.03.2020 in Dianik Bhaskar.	Reply filed with authorities.
61.	Legal Metrology notice: 302/S.I.L.M.W .M/Enforcement, Second Notice No: 45 dated 21.09.2020.	Inspector, Legal Metrology Weights and Measures Rampur, UP	Notice from legal metrology Rampur, UP for Little's Baby diaper Advertisement dated 06.03.2020 in Dianik Bhaskar	Reply filed with authorities.
62.	Legal Metrology notice no: 12/VNVMV/Enfor cement,	Office of Senior Inspector, Department of Legal Metrology Noida, UP	Notice from legal metrology department Noida, UP for Little's Baby diaper Advertisement dated 06.03.2020 in Dianik Bhaskar	Reply filed with authorities.
63.	Legal Metrology Notice having reference no: 1 / Notice - Clarification, dated: 17.09.2020	Office of Senior Inspector, Department of Legal Metrology Belrampur, UP	Notice from legal metrology department Belrampur, UP for "Sloan's Liniment" Kills Pain (Ayurvedic Oil) and has asked for clarification for the contravention.	Reply filed contesting alleged contravention.
64.	PARAXIN NSQ Matter. Before CJM, Bhind, CDL Testing u/s 25(3) Chief Judicial Magistrate, Bhind, (M.P.).	"Drug Inspector Vs. M/s Piramal Enterprises Ltd." Case No. UN CR/ 85/2021.	Drugs Inspector, Dist. Bhind (M.P.), Office of Deputy Director Food And Drugs Administration, Bhind (M.P.), letter No./Drugs/2021/37 Dated: 17/02/2021 received on 27/02/2021 w.r.t. Not of Standard quality.	Matter disposed off vide order dated 21.12.2021.
65.	Legal Metrology notice Having Memo No: LM-Camo-2021 / 129, dated 25.08.2021;	Assistant Controller, Office of Inspector, Legal Metrology, Bathinda.	Notice from legal metrology department Punjab for Little's Baby Wipes Littles' Baby Wipes", having Batch No: BCL20239.	Reply filed contesting the same
66.	FSSAI Notice. In Court of Ld. Adjudicating Officer	State Complaint through Food Safety Officer, Kullu Distt. Kullu V/s Ors and	Offense punishable under section 52 of FSS Act 2006 read with section 26(2)(ii) & section 27 (1)(2) and (3)of the FSS Act,	Final order awaited

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	Cum-ADC, Dsitrict Kullu (HP)	Piramal Enterprises Limited	2006 with respect to Supradyn. Drug Product hence labelling declaration of FSSAI not applicable. DCGI Approved combination.	
67.	NPPA, DPCO, 1995 and 2013 Notice NPPA, Delhi	Letter from Deputy Director (Overcharge) National Pharmaceutical Pricing Authority	Show cause notice F.No.25(497)/2014/Div.IV(OC-II)/NPPA dated 10.11.2021 from NPPA reg. overcharging for the Scheduled formulation 'Pred Forte' 10Ml eye drops. Amount of overcharging in this notice is Rs. 27,71,44,333/-.	No further update.
68.	Mumbai HC W.P. 1538 of 2009 in Com (ULP) No. 572 of 2001	Mr. J. A. Lopez v/s Piramal Healthcare Ltd	Matter pertains to VRS dispute.	Pending in High Court.
69.	Mumbai HC W.P.281 of 2010	Krantikari Sanghatna v/s Security Guards Board, Nicholas Piramal India Ltd	Dispute regarding adjustment of wages towards loss caused to the company.	Pending for hearing.
70.	Mumbai HC W.P.No. 2181 of 2010	Rhone Poulenc India Ltd (PHL) vs Krantikari Kamgar Union	Dispute regarding termination of services of contract workmen employed by the contractor	Pending for hearing.
71.	Mumbai HC WP 11537/2016	AHPL vs RPEU, PEL	Complaint ULP 391 of 2003 RPEU Vs NPIL / AHPL regarding disciplinary action on transferred TRs	Pending in High Court.
72.	Mumbai HC WP 2562 / 2016	RPEU vs NPIL, AHPL	RPEU Union filed writ against NPIL, Abbott & others Challenging order dated 11.9.15 & order dt. 8.9.15 in ULP 101/2005. Matter is pending in High Court.	Pending in High Court.
73.	Mumbai HC WP 3887 of 2017	PEL vs RPEU, AHPL	M/s. PEL filed WP 3887 of 2017 in 17.3.2017 against RPEU union praying to set aside order dated 11.9.2015.	Pending in High Court.
74.	Mumbai HC WP 2893/ 2015 in ULP 486 of 2003	NEU Vs NPIL	Disputes relating to transfers.	Pending in High Court.
75.	Mumbai HC WP No. 4925 of 2009 in MRTU 29 OF 1999	NEU vs NPIL	Company has filed Writ Petition No. 4925 of 2009 challenging the order of the Industrial court in MRTU 29 of 1999. Matter is pending before HC	Pending for hearing.
76.	Labourl court at Bandra Comp (ULP) No. 401 of 2003	NEU vs PHL / AHPL	Dispute regarding terminating the services of representative.	Pending for final arguments
77.	Industrial court at Bandra Restoration Application 01 of 2018 in Ref (IT) 12 of 2011	RPEU vs PHL	Disputes regarding Charter of Demands from union	Pending for witness evidence

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78.	Industrial court at Bandra Ref (IT) 30 of 2011	NEU vs. PHL, AHPL	Dispute regarding demand by union with respect to filling up of vacancies.	Pending for witness evidence
79.	Industrial court at Bandra Revi. Application 169/2013 in ULP No. 228 of 2003	NEU, Mr. Venkatraman, Mr. Sriniwasa Murthy Vs. NPIL	Dispute regarding termination of services.	Pending for Hearing.
80.	Industrial court at Bandra Ref (IT) no. 05/2017	BMIEU vs PEL, AHPL	Demand regarding Bonus and arrears to all members of BMILU.	Pending for witness evidence
81.	Industrial court at BandraRef (IT) no. 06/2017	RAFEU vs PEL, AHPL	Dispute regarding Bonus and Arrears.	Pending for filing WS of Management.
82.	Sub div. judicial Magistrate (Barhampur- Odisha) M.J.C. No. 10 of 2009 (Challenged CRA 29 of 2012)	Mr. S.K.Mohanty vs. PHL, AHPL	Dispute claiming back wages/expenses.	Pending for Hearing.
83.	High Court For Rajasthan at JaipurCivil WP 4090 / 2007	Dheeraj Babber vs Labour court, NPIL	Dispute regarding dismissal, salary, Bonus etc.	Pending for Hearing. Date not Listed
84.	HC Allahabad W.P. 4529/2007 in Revi.Appli.20/2007 in 111/1999	NPIL vs Presiding Officer labour court, G.C. Suri	Dispute regarding termination.	Pending for Hearing.
85.	Labour court, LukhnowMisc. case 74 of 2010	Sanjeev Trivedi vs PHL	Dispute regarding performance and subsequent action by the company.	Date not Listed.
86.	Labour court, Lukhnow Misc. 106 of 2009 Also New case 137/2019	Pawan Kumar Dubey vs NPIL	Dispute regarding termination for absence without notice.	Pending for Hearing.
87.	Labour Court, Hoshiarpur Labour Case Appli. No.1206/ 2009	Pramod Kumar Sharma vs PHL	Dispute alleging delay is payment of wages.	Pending for Arguments
88.	SC Nepal Under LA 2048(1992) No.71(2067/068) B.S(2010/2011A.D in LC Nepal No.71(2067/068)	PHL vs Labour court, Ishwar Shreshtra	Dispute regarding termination for absence without notice.	Pending for hearing.
89.	HC, Jabalpur HC WP 3417 /2018in LC t, Sagar ref. Case No. 61/2016	In HC , PEL vs. Narendra Kumar Sharma, in LC, Sagar ref. filed by N. Sharma vs. PEL	Dispute regarding termination for absence without notice.	Pending in HC.
90.	Labour court,Kota 154/03 under 33(C)2 ID Act	Mr. Deepak Vaya	Dispute regarding incentive payment.	Pending for hearing
91.	Jharkhand at Ranchi WP(L)No. 3886/2015	Ambalal Sarabai Enterprises vs. Subhash Chandra Bose, SPPL	Dispute regarding settlement of payment as claimed. .	Pending for hearing

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
92.	HC, Indore WP / 5717 / 2007 ITNo.33/MPIR/05	HC , Indore Mr. Mr. Jagdish Patel V/sPEL Indu.court	Dispute regarding dismissal.	Pending for hearing.
93.	HC, Indore WP/2521/2008 S	Mr. Prabhakar TambhareV/s. PEL	Dispute regarding dismissal.	Pending for hearing.
94.	Labour court MPIR/01	Mr. Sarvesh Kumar SinghV/s. PEL	Dispute regarding dismissal.	Appeal pending.
95.	Labour court MPIR/113/2020	Mr. Virendra Rawat V/s. PEL	Dispute regarding dismissal.	Appeal pending.
96.	Labour court MPIR/114/2020	Mr. Rajesh Gupta V/s. PEL	Dispute regarding dismissal.	Appeal pending.
97.	Labour court MPIR/112/2020	Mr. Mukesh Mandloi V/s.PEL	Dispute regarding dismissal.	Appeal pending
98.	ALC office Gratuity case PG IA 49/2012 & 50/2012	Ex-Retainers	Dispute regarding gratuity	Pending in Labour Commissioner office for further hearing.
99.	Thane Industrial Court Revision application (ULP) 22 of 2018 (Thane court) in Com(ulp)32 of 2008	Mr. Rajesh Shinde vs PHL	Dispute regarding dismissal	Pending for hearing
100.	CIT(A)	Assessee appeal	AY 2019-20: Appeal is filed before CIT(A) against the assessment order passed under s. 143(3) majorly on the issues of disallowance under s. 14A and disallowance on foreign remittance under s. 40(a)(i)	Pending to be heard.
101.	CIT(A)	Assessee Appeal (Oxygen Bioresearch Private Limited which is merged with PEL)	AY 2016-17: CIT(A) filed by assessee on the issue of reopening conducted on a non-existent entity.	Pending to be heard.
102.	CIT(A) (TDS appeals)	Assessee Appeal (PEL)	AY 20014-15 and AY 2016-17: Both the appeals are against TDS orders passed under s. 201 on the issue of failure to withhold taxes u/s. 195 on payment to foreign parties	Pending to be heard.
103.	ITAT	Assessee and Department appeal (PEL)	Both the assessee (PEL) and department has filed appeals to ITAT. The appeals are filed for different Assessment Years details of which along with major issues as under (a) AY 2004-05: Deduction u/s. 35(2AB), MODVAT adjustment u/s. 145A (b) AY 2005-06: Compensation received treated as business income instead of capital gains, deduction under s. 35(2AB); MODVAT adjustment u/s. 145A (c) AY 2006-07: Deduction under s. 35(2AB), business promotion expenses,	AY 2004-05: Heard before ITAT but no order is passed yet. Other AYs: Pending before ITAT to be heard.

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
			MODVAT adjustment u/s. 145A (d) AY 2007-08: Deduction u/s. 35(2AB), consultancy charges paid by PEL to related party, MODVAT adjustment u/s. 145A	
104.	ITAT	Assessee appeal (PEL)	AY 2017-18: The appeal is filed by assessee against the assessment order passed u/s. 143(3) by the Assessing Officer for AY 2017-18. Primary issues of additions include disallowance u/s. 14A and transfer pricing adjustment on guarantee commission.	Appeal filed on 21.4.2022 and yet to heard.
105.	ITAT	Department appeal (against the assessee being Boots Piramal which is merged with PEL)	AY 2005-06: The major issues involve disallowance u/s. 40(a)(ia), capitalisation of revenue expense, TDS on reimbursement of advertisement expenses	Pending to be heard
106.	High Court	Assessee Appeal (PEL) and Department appeals	Appeals filed by assessee and department against ITAT order as per below details: a. AY 2008-09: Deduction under s. 80IC, transfer pricing addition on guarantee commission, Deduction u/s. 35(2AB) b. AY 2009-10: Transfer pricing addition on guarantee commission, Deduction u/s. 35(2AB)	Pending to be heard
107.	High Court	Assessee Appeal (PEL)	Appeal filed by assessee for AY 2010-11 and AY 2011-12 primarily on the issue of deduction under s. 35(2AB) and transfer pricing addition on guarantee commission.	Pending to be heard
108.	High Court	Department appeal (PEL)	AY 1990-91: This appeal by the department is mainly on the issue of deductibility of interest paid on overdraft account AY 1997-98: This appeal by the department is mainly on short-term capital gain on security deposit taken on account of lease transaction disclosed under VDIS & KVSS scheme. AY 1999-00: This appeal by the department is mainly on Capital gains on sale of glass and bulk drug division, factory closure expense and other issues.	Pending to be heard

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			AY 2000-01and AY 2001-02: This appeal by the department is mainly on depreciation on assets taken over on amalgamation, factory closure expenses and other issues AY 2002-03: This appeal by the department is mainly on depreciation on assets taken over on amalgamation, allowance of interest and pre-payment charges.	
109.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowances of sales return.	Pending Hearing
110.	Tribunal	Sales Tax Department	Disallowances of sales return.	Pending Hearing
111.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Ex-parte assessment order	Pending Hearing
112.	Tribunal	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
113.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
114.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
115.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
116.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
117.	Tribunal	Sales Tax Department	Late submission for return	Pending Hearing
118.	Tribunal	Sales Tax Department	Pending sales tax declaration form-3D	Pending Hearing
119.	Tribunal	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
120.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-F & form-C	Pending Hearing
121.	Tribunal	Sales Tax Department	Pending sales tax declaration form-3D	Pending Hearing
122.	Tribunal	Sales Tax Department	Pending sales tax declaration form-F & form-C	Pending Hearing
123.	Tribunal	Sales Tax Department	Pending sales tax declaration form-3D	Pending Hearing
124.	Tribunal	Sales Tax Department	Pending sales tax declarations	Pending Hearing

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125.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-3D	Pending Hearing
126.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-3D	Pending Hearing
127.	Tribunal	Sales Tax Department	Disallowances of sales return.	Pending Hearing
128.	Tribunal	Sales Tax Department	Pending sales tax declaration form-3D	Pending Hearing
129.	Tribunal	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
130.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
131.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Turnover enhancement due to pending penalty appeals	Pending Hearing
132.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Provisional assessment of July, Aug & Sep, wherein credit note rejected.	Pending Hearing
133.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Demand due to: 1) Turnover enhancement by JC due to check post matter 2) disallowance of CN 3) ITC disallowance.	Pending Hearing
134.	High Court	Sales Tax Department	Penalty as Transporter was not carry any Waybill during transit	Pending Hearing
135.	High Court	Sales Tax Department	Penalty as Transporter was carry colour xerox copy of Waybill	Pending Hearing
136.	High Court	Sales Tax Department	Enhancement of turnover at the time of assessment, due to aforesaid penalty matters	Pending Hearing
137.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
138.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
139.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Enhancement of turnover due to stock verification mis-match	Pending Hearing
140.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
141.	Tribunal	Sales Tax Department	Penalty for incorrect waybill	Pending Hearing
142.	Tribunal	Sales Tax Department	Various disallowance at the time of assessment	Pending Hearing

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
143.	Tribunal	Sales Tax Department	Pending sales tax declaration form-F & form-C	Pending Hearing
144.	Tribunal	Sales Tax Department	Pending sales tax declaration form-F & form-C	Pending Hearing
145.	Tribunal	Sales Tax Department	Interest granted on refund u/s 43 A was disallowed due to over all dues	Pending Hearing
146.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Best judgement order due to non-availability of records	Pending Hearing
147.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Best judgement order due to non-availability of records	Pending Hearing
148.	Tribunal	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
149.	Tribunal	Sales Tax Department	Disallowances of High Sea Sales transaction done through airwaybill	Pending Hearing
150.	Tribunal	Sales Tax Department	Disallowances of High Sea Sales transaction done through airwaybill	Pending Hearing
151.	Tribunal	Sales Tax Department	Pending sales tax declaration form-F	Pending Hearing
152.	Tribunal	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
153.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
154.	Tribunal	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
155.	Tribunal	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
156.	Tribunal	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
157.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
158.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Non-submission of return	Pending Hearing
159.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
160.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowance of Credit Notes	Pending Hearing
161.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing

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162.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Pending sales tax declaration forms	Pending Hearing
163.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	LDPOC product classification dispute	Pending Hearing
164.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
165.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Sales tax assessment appeal	Pending Hearing
166.	Tribunal	Sales Tax Department	Dispute related to classification of Product-Strepsil (lozenges).	Pending Hearing
167.	Tribunal	Sales Tax Department	Dispute related to classification of Product-Strepsil (lozenges).	Pending Hearing
168.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Cancellment of Purchases and partly Credit note disallowed	Pending Hearing
169.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Incorrect roadpermit	Pending Hearing
170.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Exparte assessment order made by enhacing turnover	Pending Hearing
171.	Tribunal	Sales Tax Department	Exparte assessment order made by enhacing turnover	Pending Hearing
172.	Tribunal	Sales Tax Department	Incorrect roadpermit	Pending Hearing
173.	Assistant Commissioner / Deputy Commissioner / Commissioner	GST Department	Ewaybill incomplete - tax & penalty levied	Pending Hearing
174.	Assistant Commissioner / Deputy Commissioner / Commissioner	GST Department	Ewaybill incomplete - tax & penalty levied	Pending Hearing
175.	Assistant Commissioner / Deputy Commissioner / Commissioner	GST Department	Ewaybill incomplete - tax & penalty levied	Pending Hearing
176.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowed sales return	Pending Hearing
177.	Tribunal	Sales Tax Department	Enhancement of turnover due to trading loss	Pending Hearing

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
178.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowed sales return	Pending Hearing
179.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowance of export to Nepal, Sales Return & Exempted turnover	Pending Hearing
180.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Appeal filed mainly for pending form-C	Pending Hearing
181.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Revised return not considered & credit note disallowed	Pending Hearing
182.	Assistant Commissioner / Deputy Commissioner / Commissioner	Sales Tax Department	Disallowance of export to Nepal	Pending Hearing
183.	High Court	Sales Tax Department	Sales tax demand on IPR related to Business Transfer Agreement of Domestic formulation business to M/s.Abbott Healthcare Pvt Ltd. Contingent Liability is NIL as AHPL is responsible as per BTA.	Pending Hearing
184.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Physician's samples cleared on cost-construction method instead of comparable value concept, hence short payment of duty paid.	Pending Hearing
185.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Physician's samples cleared on cost-construction method instead of comparable value concept, hence short payment of duty paid.	Pending Hearing
186.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Physician's samples cleared on cost-construction method instead of comparable value concept, hence short payment of duty paid. SCN Amy Rs.2,14,885.00	Pending Hearing
187.	CESTAT	Excise/Service Tax	Physician's samples cleared on cost-construction method	Pending Hearing
188.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Physician Sample Valuation	Pending Hearing
189.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Clearance of Bulk Drugs at Concessional Rate of Duty (Notfn. No. 9/94 DATED 1.3.1994)	Pending Hearing
190.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Admissibility of Adhoc Discount for Hospital Pack	Pending Hearing

Piramal Enterprises Limited
CIN : L24110MH1947PLC005719
Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070 India
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India
T +91 22 3802 3083/3314/3803 F +91 22 3802 3084
piramal.com

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
191.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Admissibility of Adhoc Discount for Hospital Pack	Pending Hearing
192.	CESTAT	Excise/Service Tax	VALUATION OF PHYSICIAN SAMPLE. ON COST + 15% NP DISPUTED	Pending Hearing
193.	CESTAT	Excise/Service Tax	VALUATION OF PHYSICIAN SAMPLE ON COST Constuction method Vs. Value of Comparable goods - On Prorata basis.	Pending Hearing
194.	CESTAT	Excise/Service Tax	VALUATION OF PHYSICIAN SAMPLE ON COST Constuction method Vs. Value of Comparable goods	Pending Hearing
195.	CESTAT	Excise/Service Tax	SCN for recovery of BED & ECESS as PS Packs are valuated as per Rule 8 of Valuation Rule 2000 instead of Section 4 (1)(b) with 3 & 4 of Valuation Rule 2000.	Pending Hearing
196.	CESTAT	Excise/Service Tax	SCN based on CERA Audit point availment of Input Service Tax Credit was taken on Input Services which are not covered under the definition.	Pending Hearing
197.	CESTAT	Excise/Service Tax	Service tax credit distributed from HO to plant as ISD credit was disallowed being not related to manufacturing of goods - period Jul'12 to May'13.	Pending Hearing
198.	CESTAT	Excise/Service Tax	Service tax credit distributed from HO to plant as ISD credit was disallowed being not related to manufacturing of goods - period Jun'13 to Dec'13.	Pending Hearing
199.	CESTAT	Excise/Service Tax	Service tax credit distributed from HO to plant as ISD credit was disallowed being not related to manufacturing of goods - period: Jan.14 to Aug.14.	Pending Hearing
200.	CESTAT	Excise/Service Tax	Service tax credit distributed from HO to plant as ISD credit was disallowed being not related to manufacturing of goods - Period: Sept.14 to Jun.15.	Pending Hearing
201.	CESTAT	Excise/Service Tax	Proportionate Service Tax credit not reversed towards exempted goods in 2005-06 to 07-08 on other than 16 specified services.	Pending Hearing
202.	CESTAT	Excise/Service Tax	Service tax demand on certain category of services related to Business Transfer Agreement of Domestic formulation business to M/s.Abbott Healthcare Pvt	Pending Hearing

Sr. No.	Court / Tribunal	Parties	Brief Summary	Current Status
			Ltd. Contingent Liability is NIL as AHPL is reponsible as per BTA.	
203.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Rebate claim rejected & penalty also imposed	Pending Hearing
204.	CESTAT	Excise/Service Tax	Dispute related to classification of Malaria Kit manufactutred at Pawne plant - 3 SCN issued related to period Apr'10 to Oct'12	Pending Hearing
205.	CESTAT	Excise/Service Tax	Dispute related to classification of Malaria Kit manufactutred at Pawne plant - 2 SCN issued related to period Nov'12 to Jun'14	Pending Hearing
206.	CESTAT	Excise/Service Tax	Dispute related to classification of Malaria Kit manufactutred at Pawne plant - related to period Jul-Nov'14 Last & Final period SCN.	Pending Hearing
207.	CESTAT	Excise/Service Tax	Service tax imposed on certains category of service based on balance sheet figure & demand confirmed related to FY 2004-05 to 05-06 & 2010-11. Penalty imposed Rs.19407336 in FY 04-05 to 09-10 & Rs.53,000/- in FY 10-11	Pending Hearing
208.	CESTAT	Excise/Service Tax	This is with reference to above VFCD matter, wherein department has filed appeal against demand dropped by officer	Pending Hearing
209.	CESTAT	Excise/Service Tax	Service Tax Credit distributed by the ISD is improper. Period: Aug.16 to Jun.17.	Pending Hearing
210.	CESTAT	Excise/Service Tax	Reversal of proportionate credit on common input used in exempted product at Rhone Poulene-Aurangabad Plant	Pending Hearing
211.	Assistant Commissioner / Deputy Commissioner / Commissioner	Excise/Service Tax	Assessee should have availed 50% of cenvat credit as per CCR 6(3B) being NBFC company	Pending Hearing

For **Piramal Enterprises Limited**

Bipin Singh
Company Secretary

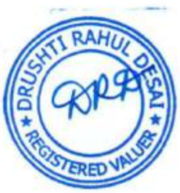
Annexure 9

REPORT ON RECOMMENDATION OF RATIO OF ALLOTMENT OF SHARES ON THE PROPOSED DEMERGER OF PHARMA BUSINESS OF PIRAMAL ENTERPRISES LIMITED INTO PIRAMAL PHARMA LIMITED

REGISTERED VALUER'S REPORT

Drushti R. Desai
Bansi S. Mehta & Co.
Chartered Accountants
Metro House, 3rd Floor
M. G. Road, Dhobi Talao,
Mumbai – 400 020.

CONTENTS



1. Glossary of Abbreviation

Abbreviation	Definition
BSE	BSE Limited
CCM	Comparable Companies Multiple Method
Company	Piramal Pharma Limited
Comparable Companies	Comparable Companies in similar line of business
DCF Method	Discounted Cash Flow Method
Division	Mahad Facility and Consumer Healthcare Products Business of PEL
FCF	Free Cash Flows
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Enterprise Value
IVS	ICAI Valuation Standards
ICAI	Institute of Chartered Accountants of India
Management	Management of Piramal Enterprises Limited and Piramal Pharma Limited
NSE	National Stock Exchange of India Limited
Pharma Business	Mahad Facility and Consumer Healthcare Products Business of PEL & strategic Investment in Equity shares of PPL
PEL	Piramal Enterprises Limited
PPL	Piramal Pharma Limited
SOTP	Sum of the Parts
Draft Scheme	Scheme of Arrangement Under Section 230 To 232 of the Companies Act, 2013
Valuation Date	October 5, 2021
WAP	Weighted Average Price
Hemmo	Hemmo Pharmaceuticals Private limited
Convergence Chemicals	Convergence Chemicals Pvt Ltd.
Allergan	Allergan India Pvt. Ltd.

2. Introduction and Brief History

2.1. There is a proposal before the Board of Directors of Piramal Enterprises Limited to Demerge the Pharma Business of PEL comprising of Mahad facility and Consumer Healthcare Products Business and strategic investment in equity shares of PPL. Equity shares of PPL shall be issued to the shareholders of PEL on the proposed demerger. The proposed transaction is contemplated under a scheme of arrangement under section 230 to 232 of the Companies Act, 2013. This transaction is referred to as the proposed demerger.

2.2. In this regard, I have been called upon by the Management of PEL and PPL vide Engagement Letter dated August 16, 2021 to recommend fair ratio of allotment for the proposed demerger.

2.3. Accordingly, this report ("the Report" or "my Report ") sets out the findings of my exercise. For the purpose of my Report, I have considered the Valuation Date as October 5, 2021 (**"Valuation Date"**).

2.4. Brief Profile of the Companies and the Pharma Business

2.4.1. Piramal Enterprises Limited

PEL was incorporated on April 26, 1947 under the provisions of the Indian Companies Act, 1913. Its registered office is at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra. PEL is engaged in the business of (i) providing financial services, including wholesale and retail lending services, directly and indirectly; and (ii) the pharmaceutical sector, directly and indirectly, including through its subsidiary, PPL, comprising (a) contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients vitamins & mineral pre-mixes and formulations; (b) manufacturing/selling/distribution of complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (c) manufacturing, marketing and distributing consumer healthcare products.

The issued and subscribed equity share capital of PEL as at October 5, 2021 is as follows:

Share Capital	Amount (INR in crores)
Authorised:	
40,00,00,000 Equity Shares of INR 2 each	80.00
30,00,000 Preference Shares of INR 100 each	30.00
2,40,00,000 Preference shares of INR 10 each	10.00
10,50,00,000 Unclassified Shares of INR 2 each	21.00
Subscribed and fully paid up:	
23,86,63,700 Equity Shares of INR 2 each	47.73

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

Source: Management

The foregoing share capital is held as follows:

Shareholder	Number of Shares held	Percentage of shareholding
Promoter	10,38,61,139	43.52%
Public	13,32,96,145	55.85%
Shares held by Employee Trust	15,06,416	0.63%
Total	**23,86,63,700**	**100.00%**

Source: BSE

Equity shares of PEL are listed on BSE and NSE.

2.4.2. Piramal Pharma Limited

PPL was incorporated on March 4, 2020 under the provisions of the Companies Act, 2013,. Its registered office is at Gr. Flr., Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra. PPL is a subsidiary of PEL and is primarily engaged, directly and indirectly, in the business of contract development and organization services, ranging from discovery, clinical development to commercial manufacturing of active pharmaceutical ingredients, formulations; business of manufacturing/selling/distribution of complex hospital generics including inhalation anaesthesia injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics, and developing and marketing of consumer healthcare products.

The issued and subscribed equity share capital of PPL as at October 5, 2021 is as follows:

Share Capital	Amount (INR in crores)
Authorised:	
1,50,00,00,000 Ordinary Shares of INR 10 each	1500.00
10,00,00,000 Compulsorily convertible Preference shares of INR 10 each	100.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL:	
1,185,913,506 equity shares of face value of Rs.10 each fully paid.	1,185.91

The aforesaid share capital is after considering conversion of preference shares and Inter-corporate deposit of PPL into equity shares as well as issue of bonus shares vide board meeting dated October 1, 2021.

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

The foregoing share capital is held as follows:

Shareholder	No of Shares	Percentage of shareholding
Piramal Enterprises Limited	94,72,49,806	79.8751%
CA Alchemy Investments	23,86,63,700	20.1249%
Total	**1,18,59,13,506**	**100.0000%**

Source: Management

The equity shares of PPL are not listed.

2.4.3.Pharma Business of PEL

Pharma Business of PEL provides end-to-end development and manufacturing solutions to third parties across the drug life cycle, through an integrated network, which comprises the following:

Directly by PEL:

- Contract development and manufacturing of formulations and vitamin-mineral pre-mixes including at the Mahad Facility;
- Manufacture, and distribution of consumer healthcare products.

Indirectly through PPL:

- Contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients and formulations;
- Manufacturing /selling/distribution of complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and
- Developing & marketing consumer healthcare products.

DRUSHTI RAHUL DESAI ★ REGISTERED VALUER ★

3. Data obtained

3.1 I have called for and obtained such data, information, etc. as were necessary for the purpose of this assignment, which have been, as far as possible, made available to me by the Management. **Appendix A** hereto broadly summarizes the data obtained.

3.2 For the purpose of this assignment, I have relied on such data summarized in the said Appendix and other related information and explanations provided to me in this regard.

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

4. Approach to Valuation

4.1 It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose.

4.2 It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. IVS are mandatory for a valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. I have given due cognizance to the same in carrying out the valuation exercise.

4.3 For the purpose of arriving at the valuation, I have considered the valuation base as 'Fair Value'. My valuation, and this Report, is based on the premise of 'going concern'. Any change in the valuation base, or the premise could have a significant impact on the valuation exercise, and therefore, this Report.

4.4 IVS 301 on Business Valuations deals with valuation of a business and business ownership interest (i.e., it includes valuation of shares).

4.5 IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:

- Market approach
- Income approach
- Cost approach

4.5.1 Each of the above approaches, in the context of valuation of equity shares of PPL and Demerging Undertaking are discussed in the following paragraphs.

4.5.2 **Valuation of Equity Shares of PPL**

4.5.2.1 **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities. The common methodologies under the Market Approach are as under.

4.5.2.1.1 Market Price Method:

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. Equity shares of PPL are not listed and therefore, this method cannot be used to determine its value.

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

4.5.2.1.2 Comparable Companies Multiple Method ("CCM") :

This method involves valuing an asset based on market multiple of comparable companies as related to earnings, assets etc.

I have derived the value of equity shares of PPL under this method considering the Earnings before Interest Tax Depreciation and Amortization ("EBITDA") and the Profit after tax ("PAT").

It may herein be noted that I have looked at the Standalone Financial Statements of PPL for the period ended August 31, 2021. On comparison of the said financial statements with the financial statements for the period ended June 30, 2021 I note that there is no change in the business of the Company. The profits generated during the period from June 30, 2021 to August 31, 2021 are captured in the consolidated Debt and Cash position of PPL. Considering the financials of Comparable Companies are not available for the period ended August 31, 2021, for the purpose of applying a multiple, Ihave considered PAT and EBITDA for PPL for trailing twelve months ended June 30, 2021. Consolidated Debt and Cash position is considered as at August 31, 2021 based on the information provided by the Management.

i. Value based on EV/ EBITDA Multiple Method

The broad steps followed to derive a value based on EBITDA under this method, are mentioned hereunder

- For the purpose of arriving at the value under this method I have considered the financial statements of PPL for the period ended June 30, 2021, June 30, 2020, August 31, 2021 and for the year ended March 31, 2021.

- Under this approach, from the financials provided, I have computed the consolidated profit before tax of the Company for the year ended June 30, 2021.

- I have adjusted the above profit before tax for non-operating and non-recurring expenses/incomes in order to arrive at Adjusted Profit before tax.

- Adjusted EBIDTA is calculated by adding Interest, Depreciation and Amortisation to the Adjusted Profit before Tax as arrived at above[1].

- Similarly, I have calculated the Enterprise Value to EBIDTA Multiple for the Comparable Companies. I have calculated the Enterprise Value ("EV") of Comparable Companies by adding the amount of debt and preference capital as applicable to their respective Adjusted Market Capitalization considering their market price based on Weighted Average Price (WAP) over a period of three months ended the Valuation date.

- The EBIDTA of PPL as computed above is then multiplied by such average EV/EBIDTA Multiple and the value thus obtained is the Enterprise Value of PPL as at the Valuation Date.

- The Enterprise Value so arrived at above is increased by the value of investment in Convergence Chemicals, Allergan and the amount of surplus assets (i.e., leased out property, loans and advances to related parties, etc.)

DRUSHTI RAHUL DESAI ★ REGISTERED VALUER ★

[1] after considering profits for Hemmo (acquired in June 2021)

and reduced by the amount of debt as at August 31, 2021 as well as contingent consideration payable on acquisition of Hemmo.

- I understand from the Management the likelihood of crystallization of the contingent liabilities is remote. Therefore, no adjustment is made for the same.

- I have divided such Business Value as arrived at above by the number of fully paid, issued, and subscribed equity shares of PPL as at the valuation date after considering issue of shares on account of convertible preference shares, conversion of inter-corporate deposits and bonus issue to arrive at the value per share under the EV/EBITDA Approach.

ii. Value based on PE Multiple Method

The broad steps followed to derive a value based on PAT under this method, are mentioned hereunder:

- For the purpose of arriving at the value under this approach I have considered the financial statements of PPL for the period ended June 30, 2021, June 30, 2020, August 31, 2021 and for the year ended March 31, 2021. Under this approach, I have computed the consolidated profit before tax of the Company for the year ended June 30, 2021, from the financials provided to me.

- I have adjusted the above profit before tax for non-operating and non-recurring expenses/incomes in order to arrive at Adjusted Profit before tax[2].

- The amount of income tax to be paid is then reduced from Adjusted Profit before tax as derived above to arrive at Adjusted Profit after tax (PAT).

- Similarly, I have calculated the Market Capitalization to PAT Multiple for the Comparable Companies. I have calculated the Adjusted Market Capitalization considering their market price based on WAP over a period of three months ended the Valuation date.

- I have then arrived at the average of the PE Multiple of Comparable Companies (PE Multiple).

- The PAT of PPL as computed above is then multiplied by such average PE Multiple and the value thus obtained is the Business Value of PPL as at the Valuation Date.

- The Business Value so arrived at above is increased by the value of Allergan and Convergence Chemicals and realizable amount of surplus assets and reduced by the amount of contingent consideration payable on acquisition of Hemmo. I understand from the Management the likelihood

DRUSHTI RAHUL DESAI REGISTERED VALUER

[2] after considering profits for Hemmo (acquired in June 2021)

of crystallization of the contingent liabilities is remote. Therefore, no adjustment is made for the same.

- I have divided such Business Value as arrived at above by the number of fully paid, issued and subscribed equity shares of PPL as at the valuation date after considering issue of shares on account of convertible preference shares, conversion of inter-corporate deposit and bonus issue of shares to arrive at the value per share under the PE Multiple Approach.

4.5.3 Income Approach

Income approach is a valuation approach that converts maintainable future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted, or capitalised) amount. An approach based on earnings is relevant in case of companies generating a steady stream of income. I have not been provided with detailed projections for PPL. Hence, I have not considered the Discounted Cash flow Method for the valuation exercise.

4.5.4 Cost Approach

Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an assets (often referred to as current replacement cost).
IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specifes that common methodologies for the Cost Approach are the Replacement Cost Method and the Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that would have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

In a going concern scenario earning power of a business, as reflected under the Earnings based and Market approaches, is of greater importance, with the values arrived at on the net assets basis being of limited relevance. Therefore, I have not used the Cost Approach for this valuation.

4.5.5 Fair Valuation of PPL

I have arrived at the fair value per share of PPL by assigning equal weights to value arrived based on EV/EBITDA multiple method and PE multiple method.

4.6 Valuation of Pharma Business of PEL

Pharma Business of PEL comprises of Mahad facility and Consumer Healthcare Products Business as well as strategic investment in equity shares of PPL. I have derived the value per equity share of PEL attributed to the Pharma Business based on Sum of the Parts Method.

Under SOTP for the Pharma Business I have recognised the following parts:

- Mahad Facility and Consumer Healthcare Products Business housed in PEL ("the Division")

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

- Strategic Investment in equity shares of PPL

Each of the above part is valued separately and added up to determine the fair value of the demerged Undertaking.

The methodology used to derive the value of the Division is given in the following paragraphs. The value of strategic investment in equity shares of PPL is considered based on the value per share derived in para 4.5.5 above.

Valuation of the Division

4.6.1 **Market Approach**

As mentioned earlier. Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities. The common methodologies under the Market Approach are as under.

4.6.1.1 Market Price Method:

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. The market price of PEL reflects the combined values of all the business taken together and therefore, not reflective of the isolated value of the Division. Therefore, the Market Price Method is not used to determine the value of the Division or the Pharma Business for that matter.

4.6.1.2 Comparable Companies Multiple Method ("CCM") :

This method involves valuing an asset based on market multiple of comparable companies as related to earnings, assets etc.

It is understood from the Management that the Division would operate at a break-even level and is not likely to have significant growth in profits going forward. This is corroborated by the fact that for the quarter ended June 30, 2021 the operating profits the Division are negative while for the year ended March 31, 2021 they were marginally positive. Thus, Iobserve that the division does not have sustainable profits.

Therefore, applying multiple of comparable companies which would capture their growth potential to the profits of the Division would not be appropriate. Therefore, Ihave not considered it appropriate to derive its value based on CCM.

4.6.2 **Income Approach**

Income approach is a valuation approach that converts maintainable future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted, or capitalised) amount. An approach based on earnings is relevant in case of companies generating a steady stream of income. As mentioned earlier, it is understood from the Management that the Division is not expected to make any significant profits going forward. Therefore, Ihave not been able to use DCF Method to determine its value.

DRUSHTI RAHUL DESAI
REGISTERED VALUER

4.6.3 <u>Cost Approach</u>

Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an assets (often referred to as current replacement cost).

Giving cognizance to the fact that Division does not have significant profits, I have considered the Cost Approach (Replacement Cost Method) for the valuation exercise.

Our working is based on the latest available statement of assets and liabilities as on August 31, 2021, as prepared by the Management. The steps followed for valuation of the Division are as under:

- I have considered the Leasehold land (long lease) at the stamp duty value as provided by the Management as its Replacement Cost.
- Carrying value of Tangible Assets has been considered as their depreciated replacement cost
- Carrying value of other working capital items has been considered as its replacement cost.
- It is understood from the Management that the inter-corporate deposits to PPL has been converted into equity shares. The value of said equity shares so allotted is also considered as a part of strategic investment in PPL.
- Ihave considered the book value of liabilities as their replacement cost.
- The aggregate of the replacement value of the assets net of liabilities is considered as the depreciated replacement value of the Business.

4.7 Fair Valuation:

I have arrived at the Fair Business Value of Pharma Business by aggregating the value of the Division and strategic investment in equity shares of PPL.

The value so arrived at is divided by the number of equity shares of PEL to derive the value per equity share of PEL attributed to the Pharma Business.

5 Conclusion

Based on the foregoing data, considerations and steps followed, Iconsider that the fair ratio of exchange would as follows:

"For every **1 (One)** Equity shares of face and paid-up value of Rs. 2/- (Two) held in PEL, **4 (Four)** Equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL"

It may herein be noted that the Stock Exchanges have issued a Circular to the Listed Companies (e.g., BSE Circular LIST/COMP/02/2017-18 dated May 29, 2017) ("the Circular"), on advice by SEBI, laying down the format in which the valuation report shall display the workings, relative fair value per share and fair share exchange ratio. The disclosure in the format suggested by the stock exchange is as under:

Particulars	**Pharma Business (A)**		**PPL (B)**	
	Value per Share attributed to Pharma Business	**Weight**	**Value per Share**	**Weight**
Market Approach				
Based on Comparable Companies Multiple Method based on Profits	NA	See Para 4.6.1 above	161.41	100%
Income Approach based on DCF Method	NA	See Para 4.6.2 above	NA	See Para 4.5.3 above
Cost Approach based on Assets (Sum of the Parts)	645.58	100%	NA	See Para 4.5.4 above
Relative Value per share	645.58		161.41	
Exchange Ratio (rounded off) [(A)/(B)]		4:1		

This Report should be read along with the limitations mentioned herein

6 Limitations and Disclaimers

This Report is subject to the scope of limitations detailed hereinafter.

6.1 The Report is to be read in totality and not in parts.

6.2 The valuation is based on the information furnished to me being complete and accurate in all material respect.

6.3 I have relied on the written representations from the Management that the information contained in this report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the valuation.

6.4 The information presented in this report does not reflect the outcome of any financial due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.

6.5 My scope of work does not enable me to accept responsibility for the accuracy and completeness of the information provided to me. I have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, I do not express any opinion with regard to the same.

6.6 I have relied on the judgment made by the Management and, accordingly, the valuation does not consider the assumption of contingent liabilities materializing (other than those specified by the Management and the Auditors). If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, then this may have the effect on the valuation computations.

6.7 The Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

6.8 No investigation of the Company's claim to the title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The report is not, nor should it be construed, as my opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards any legal, accounting or taxation implications or issues.

6.9 The valuation is based on the market conditions and the regulatory environment that existed at the Valuation Date. However, changes to the same in the future could impact the companies and the industry they operate in, which may impact the valuation.

6.10 I have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

6.11 I have not carried out any physical verification of the assets and liabilities of the Company and take no responsibility for the identification of such assets and liabilities.

6.12 This Report does not look into the business/commercial reasons behind the proposed transaction nor the likely benefits arising out of it. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

7 Gratitude

I am grateful to the Management for making information and particulars available to me, often at a short notice, to enable me to conclude my opinion in a time-bound manner.

DRUSHTI RAHUL DESAI REGISTERED VALUER

DRUSHTI R. DESAI.
Registered Valuer
Registration Number: IBBI/RV/06/2019/10666

Place: Mumbai
Date: October 6, 2021
UDIN: 21102062AAAAC05423

Appendix A: Broad Summary Of Data Obtained

From the Managements:

1. Provisional Consolidated Financial Statements of PPL for the quarter ended June 30, 2021.
2. Audited Standalone and Consolidated Financial Statements of PPL for the year ended March 31, 2021
3. Provisional Standalone Financial Statements of PPL and its subsidiaries for the quarter ended June 30, 2020.
4. Provisional Standalone Financial Statements of the Division for the period ended August 31, 2021
5. Consolidated Debt and Cash position of PPL as of August 31, 2021
6. Provisional Financial Statements of Pharma Business of PEL as of August 31, 2021
7. Provisional Financial Statements of Hemmo Pharmaceuticals Private limited for the year ended March 31, 2021
8. Draft Scheme of arrangement for the proposed transaction
9. Valuation report for Convergence Chemicals Pvt Ltd. issued by KNAV & Co. LLP dated October 27, 2020
10. Provisional Financial Statements of Allergan India Private Limited for the quarter ended June 30, 2021, June 30, 2020, and for the year ended March 31, 2021
11. Details and timeline for contingent compensation payable for acquisition of Hemmo Pharmaceuticals Private limited.
12. Answers to specific questions and issues raised by me to the Management after examining the foregoing data.
13. Other information as required by me from time to time.

From publicly available sources:

1. Quantity of shares traded and Traded Turnover of equity shares of the Comparable Companies on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).
2. Data of Comparable Companies from the database of ACE TP.
3. Audited financial statements of comparable companies.

DRUSHTI RAHUL DESAI
REGISTERED VALUER

Drushti R. Desai
Registered Valuer

Address:
Bansi S. Mehta & Co
Metro House, 3rd Floor,
Dhobi Talao, M. G. Road,
Mumbai - 400 020

January 25, 2022

To,

To, Piramal Enterprises Limited Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400070	To, Piramal Pharma Limited Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400070

Dear Sir/ Madam,

SUB: No change in the report on recommendation of allotment of shares dated October 6, 2021 ("Share Entitlement Ratio Report") for the proposed demerger of Pharma Business of Piramal Enterprises Limited ("PEL") into Piramal Pharma Limited ("PPL") basis the financial statements of the companies as on 30 September 2021

This letter is in response to our call on January 20, 2022 and your letter dated January 22, 2022 requesting me to update the Valuation Report for the financials of PPL for the period ended September 30, 2021 and carved out Balance Sheet of Pharma Business as on September 30, 2021.

In this regard, I was provided with the following additional information:

- Special Purpose Audited Condensed Interim Consolidated Financial Statements of PPL for six months ended on September 30, 2021
- Carved out financials of Pharma Business of PEL for six months ended September 30, 2021

The Valuation Date for the Share Entitlement Raito Report and the finding under this letter is October 5, 2021.

Having considered the audited financial statements of PPL for half year ended September 30, 2021 and carved out financials of Pharma Business of PEL for the six months ended September 31, 2021, I confirm that there is no change to the share entitlement ratio as provided under the Share Entitlement Report. The Ratio is reproduced hereunder for ready reference:

*"For every **1 (One)** Equity shares of face and paid-up value of Rs. 2/- (Two) held in PEL, **4 (Four)** Equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL"*

Value per share of PPL and Pharma Business updated for the aforesaid financials in the format required by SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021 is given below:

Particulars	Pharma Business (A)		PPL (B)	
	Value per Share attributed to Pharma Business	**Weight**	**Value per Share**	**Weight**
Market Approach				
Based on Comparable Companies Multiple Method based on Profits	NA	See Para 4.6.1 of the Report	161.41	100%
Income Approach based on DCF Method	NA	See Para 4.6.2 of the Report	NA	See Para 4.5.3 of the Report
Cost Approach based on Assets (Sum of the Parts)	647.87	100%	NA	See Para 4.5.4 of the Report
Relative Value per share	647.87		161.81	
Exchange Ratio (rounded off) [(A)/(B)]		4:1		

Terms not defined in this letter should take its meaning from the Report.

This letter should be read along with my Share Entitlement Report and the limitations mentioned therein.

DRUSHTI RAHUL DESAI * REGISTERED VALUER *

DRUSHTI R. DESAI
Registered Valuer
Registration Number: IBBI/RV/06/2019/10666
Place: Mumbai
Date: January 25, 2022

Drushti R. Desai
Registered Valuer

Address:
Bansi S. Mehta & Co
Metro House, 3rd Floor,
Dhobi Talao, M. G. Road,
Mumbai - 400 020

February 7, 2022

To,

To, Piramal Enterprises Limited Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400070	To, Piramal Pharma Limited Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400070

Dear Sir/ Madam,

SUB: No change in the report on recommendation of allotment of shares dated October 6, 2021 ("Share Entitlement Ratio Report") for the proposed demerger of Pharma Business of Piramal Enterprises Limited ("PEL") into Piramal Pharma Limited ("PPL") basis the financial statements of the companies as on 30 September 2021

In relation to the captioned subject, I had issued an addendum dated January 25, 2022 after considering the following

- Special Purpose Audited Condensed Interim Consolidated Financial Statements for six months ended on September 30, 2021
- Carved out financials of Pharma Business of PEL for six months ended September 30, 2021

In this regard, you have received a query from BSE stating the following:

In the revised valuation share working for values in the table and also value for PPL as per Market Approach is Rs 164.41[1] *& Relative Value per share is Rs 161.81 whereas there are no values considered for income and market approach. Kindly clarify.*

Kindly note that there has been a typographical error in the Addendum dated January 25, 2022. The value per share of PPL in the format required by SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000065 dated November 23, 2021 under Market Approach based on Comparables Companies Multiple Method based on Profits should be read as 161.81 instead of 161.41. The updated table is reproduced hereunder:

[1] The value per share of PPL under Market Approach as mentioned in the Addendum dated January 25, 2022 is 161.41 per share.

DRUSHTI RAHUL DESAI
REGISTERED VALUER

Drushti Rahul Desai

Digitally signed by Drushti Rahul Desai
Date: 2022.02.07 18:05:48 +05'30'

Particulars	Pharma Business (A)		PPL (B)	
	Value per Share attributed to Pharma Business	Weight	Value per Share	Weight
Market Approach				
Based on Comparable Companies Multiple Method based on Profits	NA	See Para 4.6.1 of the Report	161.81	100%
Income Approach based on DCF Method	NA	See Para 4.6.2 of the Report	NA	See Para 4.5.3 of the Report
Cost Approach based on Assets (Sum of the Parts)	647.87	100%	NA	See Para 4.5.4 of the Report
Relative Value per share	647.87		161.81	
Exchange Ratio (rounded off) [(A)/(B)]		4:1		

Terms not defined in this letter should take its meaning from the Report.

This letter should be read along with my Addendum Report dated January 25, 2022, Share Entitlement Report and the limitations mentioned therein.

Drushti Rahul Desai

Digitally signed by Drushti Rahul Desai
Date: 2022.02.07 18:06:17 +05'30'

DRUSHTI RAHUL DESAI ★ REGISTERED VALUER ★

DRUSHTI R. DESAI
Registered Valuer
Registration Number: IBBI/RV/06/2019/10666
Place: Mumbai
Date: February 7, 2022

Annexure 10

ICICI Securities I-Sec

October 7, 2021

To,

The Board of Directors
Piramal Enterprises Limited
Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction, LBS Marg,
Kurla (West), Mumbai 400070
Maharashtra, India

Background, Purpose and Use of this Report

We understand that the Board of Directors of Piramal Enterprises Limited ("PEL" or "Demerged Company") is considering demerger of the Pharma Business of PEL comprising of Mahad facility, Consumer Healthcare Products Business and strategic investment in equity shares of Piramal Pharma Limited ("PPL" or "Resulting Company") into PPL. Pursuant to this demerger, equity shares of PPL shall be issued to the shareholders of PEL, which shall be listed and admitted to trading on the Stock Exchanges. (hereinafter referred to as "Proposed Transaction"). The Proposed Transaction is contemplated under a scheme of arrangement under section 230 to 232 of the Companies Act, 2013.

In this connection, pursuant to the requirements of SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, we have been requested by the Board of Directors of the Demerged Company to render our professional services by way of a Fairness Opinion as of date hereof, as to the fairness of the Share Entitlement Ratio provided by Drushti R Desai, being the Registered Valuer appointed for this purpose.

Rationale of the Scheme

In the Rationale of the Scheme, it has been *inter-alia* provided that, the businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals.

Therefore, in order to unlock the potential value of each business vertical, it is proposed through this Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms which will allow the said businesses to independently pursue their growth strategies with sharper focus and identity, while continuing to benefit from the overall Piramal legacy; (ii) realign the pharmaceutical business and the financial services business to rationalize and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL and PEL continuing to focus primarily on the financial services business directly (post merger of PFPL) and indirectly (including through subsidiaries and associate companies).

The proposed Demerger will not only facilitate pursuit of scale with flexibility as well as liquidity for stakeholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

SEBI Registration : INM000011179
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Website Address: www.icicisecurities.com

ICICI SECURITIES LIMITED

ICICI Securities I-Sec

Limitation of Scope & Review

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion and analysis is limited to the extent of review of documents as provided to us by the Demerged Company and Resulting Company, including the Share Entitlement Ratio prepared by Drushti R Desai and a draft of the Scheme. In addition to the documents shared, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Demerged Company and /or Resulting Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Scheme, it may not be valid for any other purpose or if provided onbehalf of any other entity. In particular, we do not express any opinion as to the value of any asset ofthe Demerged Company and Resulting Company, whether at the current prices or in the future.

Our analysis and results are also specific to the date of this report and based on information till date hereof. This report is issued on the understanding that the Demerged Company and/or Resulting Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Demerged Company and /or Resulting Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Transaction, including any significant changes that have taken place or are likely to take place in the financial position of the Demerged Company and/or Resulting Company or subsequently. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Demerged Company and /or Resulting Company without detailed inquiry. We have also been given to understand by the management of the respective Demerged Company and /or Resulting Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Demerged Company and /or Resulting Company and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the Demerged Company and /or Resulting Company underlying its decision to the effect the Scheme or as to how the shareholders of equity shares or secured or unsecured creditors of the Demerged Company and /or Resulting Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme.

We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Demerged Company and /or Resulting Company will trade at any time, including subsequent to the date of this opinion.

Our report is not and, should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Scheme.

SEBI Registration : INM000011179
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Website Address: www.icicisecurities.com

ICICI SECURITIES LIMITED

ICICI Securities I-Sec

This report is intended only for the sole use and benefit of the Board of Directors of the Demerged Company in connection with its consideration of the Scheme for the purpose of obtaining judicial and regulatory approvals and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person / party intending to provide finance/invest in the shares/business of any of the Demerged Company and /or Resulting Company or their subsidiaries/joint ventures/associates shall do so after seeking theirown professional advice and after carrying out their own due diligence procedures to ensure that theyare making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid canbe done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant stock exchanges, advisors of the Demerged Companyand/or Resulting Company in relation to the Scheme, as well as with the statutory authorities.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

Our Recommendation

The aforesaid demerger shall be pursuant to the Scheme and shall be subject to receipt of approvalfrom National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

As stated in the Share Entitlement Report by Drushti R Desai, registered valuer, the following Share Entitlement Ratio has been recommended:

"For every 1 (One) Equity shares of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) Equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL to be issued to the equity shareholders of PEL".

The equity shares to be issued by the Resulting Company to the shareholders of the Demerged Company will be listed and admitted to trading on the Stock Exchanges on which shares of Demerged Company are listed, subject to approvals from Stock Exchanges and SEBI.

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Share Entitlement Ratio Report, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by Drushti R Desai, registered valuer, is fair to the equity shareholders of Demerged Company.

Yours faithfully,
For ICICI Securities Limited,

ICICI SECURITIES LIMITED

Name RAGHAVAN SUBRAMANIAN
Designation HEAD - STRUCTURED PRODUCTS

SEBI Registration : INM000011179
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Website Address: www.icicisecurities.com

ICICI Securities I-Sec

Date: 25 January, 2022

To,
The Board of Directors,
Piramal Enterprises Limited
Agastya Corporate Park,
Opposite Fire Brigade
Kamani Junction, LBS Marg,
Kurla (West), Mumbai - 400070
Maharashtra, India

Subject: Addendum to the fairness opinion report dated 7 October 2021, as to the fairness of the Share Entitlement Ratio recommended by Drushti R Desai, Registered Valuer, for the proposed demerger of Pharma Business of Piramal Enterprise Limited ("PEL" or "Demerged Company" or "Company") into Piramal Pharma Limited ("PPL" or "Resulting Company")

Dear Sir/ Madam,

This is an addendum to the report previously issued by us dated 7 October 2021, as to the fairness of the Share Entitlement Ratio recommended by Drushti R Desai, Registered Valuer, for the proposed demerger of the Pharma Business of PEL comprising of Mahad facility, Consumer Healthcare Products Business and strategic investment in equity shares of PPL into PPL. Pursuant to this demerger, equity shares of PPL shall be issued to the shareholders of PEL, which shall be listed and admitted to trading on the Stock Exchanges.

We refer to the communication received by PEL on 13 January 2022 from National Stock Exchange of India Limited (NSE) and on 14 January 2022 from Bombay Stock Exchange (BSE) wherein both NSE and BSE have advised the Company to obtain a fresh valuation report as well as the fairness opinion report considering Audited financial statement of unlisted companies, not older than 3 months for valuation.

Post the review of Original Share Entitlement Report dated 6 October 2021 , Special Purpose Audited Condensed Interim Consolidated Financial Statements of PPL for six months ended on September 30, 2021 and Carved out financials of Pharma Business of PEL for six months ended September 30, 2021, Drushti R Desai, Registered Valuer has issued an addendum to the Share Entitlement Report dated 25 January 2022 confirming that there will be no change in the Share Entitlement Ratio as provided by them vide their Original report.

Share Entitlement Ratio recommended in Original Share Entitlement Report dated 6 October 2021 and re-confirmed through their addendum to the Share Entitlement report dated 25 January 2022 is as follows:

For every 1 (One) Equity Shares of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) Equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL to be issued to the equity shareholders of PEL

Our Recommendation

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations, including updated valuation workings, Special Purpose Audited Condensed Interim Consolidated Financial Statements of PPL for six months ended on September 30, 2021, Carved out financials of Pharma Business of PEL for six months ended September 30, 2021 and the addendum to the Share Entitlement Ratio report dated 25 January 2022 given to us, we are of the opinion that the Share Entitlement Ratio recommended again vide the addendum to the Share Entitlement Ratio report by Drushti Desai, Registered Valuer is fair to the equity shareholders of Demerged Company.

Respectfully submitted,

Raghavan Subramanian
Head, Structured Products
ICICI Securities
Date: 25 January 2022
Place: Mumbai

SEBI Registration : INM000011179
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office:
ICICI Venture House
Appasaheb Marathe Marg,
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Tel : (+91 22) 6807 7100
Fax: (+91 22) 6807 7801

Website Address: www.icicisecurities.com

Annexure 11

DCS/AMAL/TL/IP/2298/2022-23 **"E-Letter"** **April 20, 2022**

The Company Secretary,
PIRAMAL ENTERPRISES LTD.
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
LBS Marg, Kurla (W), Mumbai, Maharashtra, 400070

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Arrangement amongst Piramal Enterprises Limited and Piramal Pharma Limited and Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective Shareholders and Creditors

We are in receipt of the Draft the Composite Scheme of Arrangement of Piramal Enterprises Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 20, 2022 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall ensure compliance with the SEBI circulars issued from time to time."**
- **"The entities involved in the Scheme shall duly comply with various provisions of the Circular."**
- **"Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**
- **"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."**
- **"Company is advised that the details of the proposed scheme under consideration as provided by the Company to the stock exchange shall be prominently disclosed in the notice sent to the Shareholders."**
- **"Company is advised that the proposed equity shares to be issued in terms of the Scheme shall mandatorily be in demat form only."**
- **"Company is advised that that the Scheme shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."**
- **"No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the company is obliged to bring the observations to the notice of Hon'ble NCLT."**

- **"Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."**

- **"Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

- **"It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Piramal Pharma Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Piramal Pharma Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Piramal Pharma Limited is at the discretion of the Exchange. In addition to the above, the listing of Piramal Pharma Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Piramal Pharma Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all Piramal Pharma Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Piramal Pharma Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

    i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

    ii. "There shall be no change in the shareholding pattern of Piramal Pharma Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,
Sd/-

Prasad Bhide
Manager

Annexure 12

National Stock Exchange Of India Limited

Ref: NSE/LIST/29207_II April 20, 2022

The Company Secretary
Piramal Enterprises Limited
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction, LBS Marg,
Kurla (West), Mumbai- 400070.

Kind Attn.: Mr. Bipin Singh

Dear Sir,

Sub: Observation Letter for draft composite scheme of arrangement amongst Piramal Enterprises Limited and Piramal Pharma Limited and Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors

We are in receipt of draft composite scheme of arrangement amongst Piramal Enterprises Limited and Piramal Pharma Limited and Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors ("Scheme").

Based on our letter reference no. NSE/LIST/29207 dated March 11, 2022 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time and the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 ("Circular"), kindly find following comments on the draft Scheme:

a. *The Company shall ensure disclosure of all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme.*

b. *The Company shall ensure that additional information, if any submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*

c. *The entities involved in the Scheme shall duly comply with various provisions of the circular.*

d. *The Company is advised that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

This Document is Digitally Signed

Signer: Harshad P Dharod
Date: Wed, Apr 20, 2022 20:27:29 IST
Location: NSE

Continuation Sheet

e. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

f. *The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to shareholders.*

g. *Company is advised that proposed equity shares to be issued in terms of the "scheme" shall mandatorily be in demat form only.*

h. *Company is advised that the scheme shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

i. *Company shall ensure that no changes are made to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.*

j. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.*

k. *The company is advised to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*

l. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchanges. Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Piramal Pharma Limited is at the discretion of the Exchange.

This Document is Digitally Signed
Signer: Harshad P Dharod
Date: Wed, Apr 20, 2022 20:27:29 IST
Location: NSE

Continuation Sheet

The listing of Piramal Pharma Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Piramal Pharma Limited and its group companies in line with the disclosure requirements applicable for public issues with National Stock Exchange of India Limited ("NSE") for making the same available to the public through website of the companies. The following lines must be inserted as a disclaimer clause in the Information Memorandum:

   "The approval given by the NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc."

2. To publish an advertisement in the newspapers containing all the information about Piramal Pharma Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Piramal Pharma Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

   (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

   (b) "There shall be no change in the shareholding pattern or control in Piramal Pharma Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from April 20, 2022 within which the scheme shall be submitted to NCLT.

This Document is Digitally Signed

Signer: Harshad P Dharod
Date: Wed, Apr 20, 2022 20:27:29 IST
Location: NSE

NSE

Continuation Sheet

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

NSE

Signer: Harshad P Dharod
Date: Wed, Apr 20, 2022 20:27:29 IST
Location: NSE

Annexure 13

Piramal

27th December, 2021

The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir/Madam,

Ref: Application No. 142806 dated 30.11.2021 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited, ('PPL') Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL') and PHL Fininvest Private Limited ('PFPL') and their respective Shareholders and Creditors

Sub: Submission of Reports on Complaints in compliance with SEBI Circular No. SEBI/HO/CFDIDIL1/CIR/P/2020/249 dated 22.12.2020

With reference to the captioned subject, we are enclosing herewith the Report on Complaints indicating NIL complaints for the period commencing from 1.12.2021 to 21.12.2021.

We request you to take the above on record and kindly give your no objection letter/observation letter for the Scheme at the earliest.

Thanking you,

Yours truly,

For Piramal Enterprises Limited

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2021.12.27 11:14:40 +05'30'

Bipin Singh
Company Secretary

Piramal

Period of Complaints Report: 1.12.2021 to 21.12.2021

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		
2.			
3.			

For Piramal Enterprises Limited

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2021.12.27 11:15:06 +05'30'

Date: 27th December, 2021
Place: Mumbai

Bipin Singh
Company Secretary

Piramal Enterprises Limited
CIN : L24110MH1947PLC005719
Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Mag, Kurla (West), Mumbai 400 070 India
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India
T +91 22 3802 3084/3083/3103 F +91 22 3802 3084
piramal.com

Piramal

2nd March, 2022

The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir/Madam,

Ref: Application No. 142806 dated 30.11.2021 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited, ('PPL') Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL') and PHL Fininvest Private Limited ('PFPL') and their respective Shareholders and Creditors

Sub: Submission of Reports on Complaints in compliance with SEBI Circular No. SEBI/HO/CFDIDIL1/CIR/P/2020/249 dated 22.12.2020

With reference to the captioned subject, we are enclosing herewith the Report on Complaints indicating NIL complaints for the period commencing from 07.02.2022 to 28.02.2022.

We request you to take the above on record and kindly give your no objection letter/observation letter for the Scheme at the earliest.

Thanking you,

Yours truly,

For Piramal Enterprises Limited

BIPIN SINGH

Digitally signed by BIPIN SINGH
Date: 2022.03.02 19:29:57 +05'30'

Bipin Singh
Company Secretary

Piramal Enterprises Limited
CIN : L24110MH1947PLC005719
Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Mag, Kurla (West), Mumbai 400 070 India
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India
T +91 22 3802 3084/3083/3103 F +91 22 3802 3084
piramal.com

Piramal

Period of Complaints Report: 07.02.2022 to 28.02.2022

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		
2.			
3.			

For Piramal Enterprises Limited

BIPIN SINGH

Digitally signed by BIPIN SINGH
Date: 2022.03.02 19:56:42 +05'30'

Date: 2nd March, 2022
Place: Mumbai

Bipin Singh
Company Secretary

Annexure 14

Piramal

27th December, 2021

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Dear Sir/Madam,

Ref: Application No. 29207 dated 30.11.2021 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited, ('PPL') Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL') and PHL Fininvest Private Limited ('PFPL') and their respective Shareholders and Creditors

Sub: Submission of Reports on Complaints in compliance with SEBI Circular No. SEBI/HO/CFDIDIL1/CIR/P/2020/249 dated 22.12.2020

With reference to the captioned subject, we are enclosing herewith the Report on Complaints indicating NIL complaints for the period commencing from 1.12.2021 to 21.12.2021.

We request you to take the above on record and kindly give your no objection letter/observation letter for the Scheme at the earliest.

Thanking you,

Yours truly,

For Piramal Enterprises Limited

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2021.12.27 11:15:40 +05'30'

Bipin Singh
Company Secretary

Period of Complaints Report: 1.12.2021 to 21.12.2021

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		
2.			
3.			

For Piramal Enterprises Limited

BIPIN SINGH Digitally signed by BIPIN SINGH Date: 2021.12.27 11:15:54 +05'30'

Bipin Singh
Company Secretary

Date: 27th December, 2021
Place: Mumbai

Piramal

2nd March, 2022

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Dear Sir/Madam,

Ref: Application No. 29207 dated 30.11.2021 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited, ('PPL') Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL') and PHL Fininvest Private Limited ('PFPL') and their respective Shareholders and Creditors

Sub: Submission of Reports on Complaints in compliance with SEBI Circular No. SEBI/HO/CFDIDIL1/CIR/P/2020/249 dated 22.12.2020

With reference to the captioned subject, we are enclosing herewith the Report on Complaints indicating NIL complaints for the period commencing from 07.02.2022 to 28.02.2022.

We request you to take the above on record and kindly give your no objection letter/observation letter for the Scheme at the earliest.

Thanking you,

Yours truly,

For Piramal Enterprises Limited

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2022.03.02 19:28:54 +05'30'

Bipin Singh
Company Secretary

Period of Complaints Report: 07.02.2022 to 28.02.2022

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		
2.			
3.			

For Piramal Enterprises Limited

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2022.03.02 19:57:27 +05'30'

Date: 2nd March, 2022
Place: Mumbai

Bipin Singh
Company Secretary

Annexure 15

Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai-400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying standalone financial statements of Piramal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

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Sr. No.	Key Audit Matter	Auditor's Response
1.	Impairment loss allowance on loans and investment pertaining to finance business. Charge to the statement of profit and loss of Rs. NIL Provision: Rs. 246.08 crores as at March 31, 2022 [Refer to Note 2(a)(vii), 2(b)(iii) and 47(f) to the standalone financial statements]	
	The Company as part of its financial services segment offers long term and short-term wholesale lending primarily to the real estate and infrastructure sector. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss (ECL) model for recognising impairment loss. The Company's assessment of expected credit loss involves use of judgements and estimates, such as determination of probability of default (PD), determination of the staging, loss given default (LGD), exposure at default (EAD), estimating Management overlay for economic uncertainty expected to result from COVID 19 pandemic, forward looking information, and macro-economic factors, in computing the ECL on loans and investments. We identified impairment of loan and investment portfolio in finance business as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses.	We performed the following key audit procedures: We held discussions with the Management and evaluated management's assessment of the ECL provision at each stage including assessment of COVID-19 impact, to determine if the provision was reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We evaluated the design of internal controls relating to the computation of ECL provision, the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs used therein, including macro-economic factors We selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision, the key assumptions and inputs used therein, through inspection of evidence of performance of these controls or independently re-performing the control. Through a sample of loan contracts, we performed substantive procedures, to evaluate adequacy of ECL provisioning made.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.

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Haskins & Sells LLP

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 standalone 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 Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.
We communicate with those charged with governance 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

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

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b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts 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 Company to or in any other person(s) or entity(ies), including foreign entities ("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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either

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individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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. (a) As stated in note 17 to the financial statements, the final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

(b) No interim dividend has been declared and paid by the Company during the year.

(c) As stated in note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 22046930AJRQGZ6242)

Place: Mumbai
Date: May 26, 2022

Deloitte
Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Piramal Enterprises Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)

(UDIN: 22046930AJRQGZ6242)

Place: Mumbai
Date: May 26, 2022

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.

(b) The Company has maintained proper records showing full particulars of intangible assets.

(c) The Company has a program of verification of property, plant and equipment, capital work-in progress, investment property and right of use assets so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/ court orders approving scheme of arrangements/ amalgamation/ confirmation from custodians, provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress are held in the name of the Company as at the balance sheet date. Further, based on examination of Letter of intent, independent architect certificate, the purchase agreements executed by the Company and deeds of transfer, we report that, the investment property in the nature of land development rights is held in name of the Company.

(e) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(f) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventories:

(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

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(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has made investments in, provided guarantee or security and granted unsecured loans or advances in the nature of loans, secured or unsecured, to companies, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans	Guarantees
A. Aggregate amount granted/ provided during the year:		
-Subsidiaries	Rs. 757.75 crores	NIL
-Joint Ventures	Rs. 43.63 crores	NIL
-Others	NIL	NIL
B. Balances outstanding as at balance sheet date in respect of above cases*#		
-Subsidiaries	Rs. 5,584.74 crores	Rs. 3,199.82 crores
-Joint Ventures	Rs. 56.77 crores	NIL
-Others	Rs. 380.34 crores	NIL

* The amounts reported above are at gross amounts, without considering provisions made.
# Includes opening balances.

The Company has not provided any advances in the nature of loans and security to any other entity during the year.

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation, except as reported in sub-clause (iii)(d) below.

(d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue	Interest Overdue*	Total overdue	Remarks, if any
8	Rs. 380.34 crores	Rs. 176.42 crores	Rs. 556.76 crores	

* These loans are classified as credit impaired assets and as per policy of the Company, no income is accrued on the same in books of accounts.

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(e) According to information and explanations given to us and based on the audit procedures performed, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Gross amount of dispute (Rs In Crores)	Amount unpaid (Rs In Crores)
Income Tax Act, 1961	Income Tax	Appellate Tribunal	AY 2003-04 to 2007-08, 2016-17 and 2019-20	87.62	-
		Appellate Authority up to Commissioner's level	AY 2005-06, 2006-07, 2010-11, 2012-13, 2014-15 and 2016-17	30.87	5.19
		High Court	AY 2002-03 and 2008-09 to 2010-11	155.78	6.65

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Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Gross amount of dispute (Rs In Crores)	Amount unpaid (Rs In Crores)
Central Excise Laws	Excise Duty & Service Tax including interest and penalty, as applicable.	CESTAT	1996-97 to 2000-01, 2004-05 to 2017-18	55.96	54.88
		Appellate Authority up to Commissioner's level	1989-90, 1995-96, 1998-99, 2000-01, 2004-05 to 2005-06 and 2011-18	6.15	6.11
Sales Tax Laws	Sales Tax	Tribunal	1990-91, 1995-96, 1997-98 to 2004-05, 2006-07 to 2010-11, 2012-13 to 2014-15 and 2016-17	4.50	2.42
		Appellate Authority up to Commissioner's level	1998-99 to 2011-12, 2013-14 to 2018-19	9.65	6.54
		High Court	2009-10	0.71	0.32

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In respect of its borrowings:

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima-facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

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(x) In respect of money raised by way of initial public offer or further public offer (including debt instruments):

(a) In our opinion, moneys raised by way of further public offer of the equity shares of the Company during the year, have been, prima facie, applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of Initial Public Offer/ further public offer through debt instruments.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (full or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) In respect of frauds:

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of audit report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In respect of internal audits:

(a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date when performing our audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) In respect of registration u/s 45-IA:

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 basis the principal business criteria test performed on the last audited financial statements, in line with guidance under Reserve Bank of India Press Release 1998-99/1269 dated April 8, 1999.

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(b) During the year:

- the Company has conducted Non Banking Financial activities, and is in the process of obtaining a Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.

- the Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

(c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 22046930AJRQGZ6242)

Mumbai, May 26, 2022

PIRAMAL ENTERPRISES LIMITED
Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
ASSETS					
Non-Current Assets					
(a) Property, Plant & Equipment	3		66.83		67.63
(b) Capital Work in Progress	3		3.46		1.31
(c) Intangible Assets	3		3.47		4.37
(d) Right-of-Use Asset	44		11.51		19.20
(e) Investment property	45		1,335.31		1,297.63
(f) Financial Assets:					
(i) Investments	4	19,508.94		19,000.75	
(ii) Loans	6	5,195.74		6,553.69	
(iii) Other Financial Assets	7	15.40	24,720.08	49.54	25,603.98
(g) Deferred Tax Assets (Net)	5		119.69		121.36
(h) Other Non-Current Assets	8		485.66		448.66
Total Non-Current Assets			**26,746.01**		**27,564.14**
Current Assets					
(a) Inventories	9		212.55		102.04
(b) Financial Assets:					
(i) Investments	4	1,117.25		824.54	
(ii) Trade Receivables	10	145.77		155.08	
(iii) Cash & Cash Equivalents	11	975.19		893.24	
(iv) Bank Balances Other Than (iii) above	12	103.23		72.87	
(v) Loans	13	414.24		307.00	
(vi) Other Financial Assets	14	76.60	2,832.28	685.00	2,937.73
(c) Other Current Assets	15		88.31		94.17
Total Current Assets			**3,133.14**		**3,133.94**
TOTAL ASSETS			**29,879.15**		**30,698.08**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	16	47.73		45.11	
(b) Other Equity	17	23,073.80		23,138.63	
Total Equity			**23,121.53**		**23,183.74**
Liabilities					
Non-Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	18	3,749.07		3,386.21	
(ii) Lease Liability	44	5.06	3,754.13	9.53	3,395.74
(b) Provisions	19		20.87		20.29
(c) Other Non-Current Liabilities	20		35.68		86.31
Total Non-Current Liabilities			**3,810.68**		**3,502.34**
Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	21	2,098.06		3,285.69	
(ii) Trade Payables					
Total outstanding dues of Micro enterprises and small enterprises		4.88		4.16	
Total outstanding dues of creditors other than Micro enterprises and small enterprises	41(b)	560.32		433.25	
(iii) Lease Liability	44	7.86		11.90	
(iv) Other Financial Liabilities	22	48.35	2,719.47	55.65	3,790.65
(b) Other Current Liabilities	23		64.87		59.78
(c) Provisions	24		16.70		15.67
(d) Current Tax Liabilities (Net)	25		145.90		145.90
Total Current Liabilities			**2,946.94**		**4,012.00**
Total Liabilities			**6,757.62**		**7,514.34**
TOTAL EQUITY & LIABILITIES			**29,879.15**		**30,698.08**

The above Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman
Mumbai, May 26, 2022

Rupen K. Bhatt
Partner
Membership Number: 046930
Mumbai, May 26, 2022

Vivek Valsaraj
Chief Financial Officer
Mumbai, May 26, 2022

Bipin Singh
Company Secretary
Mumbai, May 26, 2022

PIRAMAL ENTERPRISES LIMITED
Statement of Profit and Loss for the year ended March 31, 2022

	Note No.	Year Ended March 31, 2022 Rs. in Crores		Year Ended March 31, 2021 Rs. in Crores	
Revenue from operations	26		2,225.68		1,824.70
Other Income	27		467.50		95.76
Total Income			**2,693.18**		**1,920.46**
Expenses					
Cost of materials consumed	28		294.23		332.74
Purchases of Stock-in-Trade	29		774.39		159.52
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30		(96.46)		(53.32)
Employee benefits expense	31		120.64		81.99
Finance costs	32		761.16		1,068.77
Depreciation and amortization expense	3 & 44		22.92		32.82
Expected Credit Loss on Financial Assets (including Commitments)	47(f)		-		(162.84)
Other expenses	33		164.99		271.63
Total Expenses			**2,041.87**		**1,731.31**
Profit Before Exceptional Items and Tax			**651.31**		**189.15**
Exceptional Items	34		(10.20)		(258.35)
Profit/ (Loss) before Tax			**641.11**		**(69.20)**
Less: Income Tax Expense	50				
Current tax			19.18		(9.31)
Deferred Tax (Net)			49.65		60.33
			68.83		**51.02**
Profit/(Loss) after Tax from Continued Operations			**572.28**		**(120.22)**
Income from Discontinued operations			-		**160.12**
Profit after Tax			**572.28**		**39.90**
Other Comprehensive Income / (Loss) (OCI), net of tax expense:	35				
A. Items that will not be reclassified to profit or loss					
Changes in fair values of equity instruments through OCI		(19.59)		363.31	
Remeasurement of Post Employment Benefit Obligations		(0.25)		(3.21)	
Income Tax Impact on above		47.97	28.13	10.43	370.53
B. Items that will be reclassified to profit or loss					
Deferred gains / (losses) on cash flow hedge on continuing operations		-		7.31	
Deferred gains / (losses) on cash flow hedge on discontinued operations		-		6.08	
Income Tax Impact on above		-	-	(3.37)	10.02
Total Other Comprehensive Income / (Loss) (OCI) for the Year			**28.13**		**380.55**
Total Comprehensive Income / (Loss) for the Year			**600.41**		**420.45**
For Continuing Operations					
a) Basic EPS for the year (Rs.)	43		24.02		(5.07)
a) Diluted EPS for the year (Rs.)	43		23.93		(5.07)
For Discontinued Operations					
a) Basic EPS for the year (Rs.)	43		-		6.75
a) Diluted EPS for the year (Rs.)	43		-		6.75
For Continuing and Discontinued Operations					
a) Basic EPS for the year (Rs.)	43		24.02		1.68
a) Diluted EPS for the year (Rs.)	43		23.93		1.68

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman
Mumbai, May 26, 2022

Rupen K. Bhatt
Partner
Membership Number: 046930
Mumbai, May 26, 2022

Vivek Valsaraj
Chief Financial Officer
Mumbai, May 26, 2022

Bipin Singh
Company Secretary
Mumbai, May 26, 2022

PIRAMAL ENTERPRISES LIMITED
Cash Flow Statement for the year ended March 31, 2022

		Year Ended March 31, 2022 Rs. in Crores	Year Ended March 31, 2021 Rs. in Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and tax from continuing operations	651.31	189.15
	Profit before exceptional items and tax from discontinued operations	-	226.11
	Adjustments for :		
	Depreciation and amortisation expense	22.92	94.95
	Provision written back	(6.42)	(2.40)
	Finance costs in relation to compulsory convertible debentures considered separately	0.75	15.62
	Finance costs attributable to other than financial services operations	-	2.99
	Provision on diminution in value of investment	-	64.45
	Interest Income on Financial assets	(6.45)	(43.04)
	Dividend on Equity Instruments	(282.73)	(75.54)
	Fair Value Gain on Investment in Mutual Funds	(0.79)	-
	Measurement of financial assets at FVTPL	(174.71)	(22.57)
	(Gain)/Loss on Sale of Property Plant and Equipment	(2.12)	0.10
	Provision for inventories	(0.56)	(5.34)
	Profit on Sale of Investment (Net)	-	(4.26)
	Impairment on Financial instruments (including Commitments)	-	(162.84)
	Expected Credit Loss on Trade Receivables	3.06	4.75
	Provision for doubtful loans and advances	-	37.12
	Unrealised foreign exchange (gain) / loss	0.15	(11.89)
	Realised foreign exchange gain from buyback of shares by a subsidiary	(23.83)	-
	Operating Profit Before Working Capital Changes	**180.58**	**307.36**
	Adjustments For Changes In Working Capital :		
	Adjustments for (increase) / decrease in operating assets		
	- Trade receivables	6.25	(112.41)
	- Other Current Assets	5.86	110.31
	- Other Non-Current Assets	0.10	(1.71)
	- Other Financial Assets - Non Current	0.64	(14.38)
	- Other Financial Assets - Loans - Non Current	969.36	1,958.98
	- Inventories	(109.95)	(203.35)
	- Other Financial Assets - Current	17.75	(32.87)
	- Other Financial Assets - Loans - Current	300.16	58.10
	- Amounts realised from Debentures and Alternate Investment Funds (Net)	157.20	388.72
	- Amounts invested in Mutual funds (Net)	(353.64)	(250.01)
	Adjustments for increase / (decrease) in operating liabilities		
	- Trade Payables	132.75	346.94
	- Non - Current provisions	0.33	3.27
	- Other Current Financial Liabilities	(2.99)	23.59
	- Other Current Liabilities	5.09	(46.11)
	- Current provisions	1.03	(30.38)
	- Other Non-current Liabilities	(50.63)	(55.44)
	- Interest accrued	127.00	(115.00)
	Cash Generated from Operations	**1,386.89**	**2,335.61**
	- Taxes Paid (Net of Refunds)	(131.04)	(78.94)
	Net Cash Generated from Operating Activities	**1,255.85**	**2,256.67**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from of sale of pharmaceutical business, net of expenses	-	3,452.90
	Purchase of investment held at FVTOCI	-	(600.29)
	Payments for Purchase of Property Plant and Equipment / Intangible Assets	(23.99)	(62.48)
	Proceeds from Sale of Property Plant and Equipment / Intangible Assets	2.11	0.03
	Payments for acquisition of Investment property	(37.68)	(1,297.63)
	Interest Received	5.10	99.97
	Bank balances not considered as Cash and cash equivalents		
	- Fixed deposits placed	(51.14)	(87.83)
	- Matured	50.03	14.01
	Dividend on equity instruments	282.73	67.99
	Proceeds from sale of asset (held for sale)	-	10.00
	Purchase of Equity Investments in subsidiaries and Joint ventures	(23.50)	(884.96)
	Proceeds from buyback of shares by a subsidiary	167.32	-
	Repayment of Loans/debentures from related parties (Net)	11.11	1,967.23
	Net Cash Generated from Investing Activities	**382.09**	**2,678.94**

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Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Cash Flow Statement for the year ended March 31, 2022

		Year Ended March 31, 2022 Rs. in Crores	Year Ended March 31, 2021 Rs. in Crores
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Non - Current Borrowings		
	- Receipts	1,292.00	4,156.84
	- Payments	(1,648.50)	(6,217.22)
	Proceeds from Current Borrowings		
	- Receipts	7,782.00	16,676.38
	- Payments	(8,298.00)	(16,583.47)
	Lease payments		
	- Principal	(13.98)	(19.28)
	- Interest	(1.59)	(2.99)
	Coupon Payment on Compulsorily Convertible Debentures	(80.00)	(160.19)
	Proceeds from Right Issue	199.67	-
	Dividend Paid	(787.59)	(315.75)
	Net Cash Used in Financing Activities	**(1,555.99)**	**(2,465.68)**
	Net Increase in Cash & Cash Equivalents [(A)+(B)+(C)]	**81.95**	**2,469.93**
	Cash and Cash Equivalents as at April 1	**893.24**	**(1,576.69)**
	Cash and Cash Equivalents as at March 31	**975.19**	**893.24**
	Cash and Cash Equivalents Comprise of :		
	Cash on Hand	0.00	0.01
	Balance with Scheduled Banks in Current Accounts	175.22	893.23
	Fixed Deposit with maturity less than 3 months	799.97	-
		975.19	**893.24**

Notes:

1. During the quarter ended March 31, 2022, the company has exercised conversion option in respect of optionally convertible debentures (including accrued interest) of Rs. 36.03 Crores held in Piramal Systems and Technologies Private Limited ("PSTPL"), a wholly owned subsidiary of the Company. On conversion, the Company has received 3,60,26,630 equity shares of face value of Rs. 10 each. Further, the Company has also received 89,07,451 equity shares of face value of Rs. 10 each, on conversion of outstanding loan of Rs. 8.90 Crores given by the Company to PSPTL.

2. During the quarter ended March 31, 2022 Piramal Pharma Limited ("PPL) a wholly owned subsidiary has issued 96,57,423 equity shares of face value of Rs. 10 each in lieu of the outstanding payables of Rs. 592 crore to the Company.

3. During the year, 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.

4. During the previous year, Company had received shares of Piramal Pharma Limited having value of Rs. 86.44 Crores as a consideration towards sale of investment in Piramal Healthcare Inc.

In terms of our reoort attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Aiav G. Piramal
Chairman
Mumbai, May 26,2022

Rupen K. Bhatt
Partner
Membership Number: 046930
Mumbai, May 26,2022

Vivek Valsaraj
Chief Financial Officer
Mumbai, May 26,2022

Bipin Singh
Company Secretary
Mumbai, May 26,2022

PIRAMAL ENTERPRISES LIMITED
Statement of Changes in Equity for the Year ended March 31, 2022

A. Equity Share Capital (Refer Note 16):

Particulars	Rs. in Crores
Balance as at April 1, 2020	45.11
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2021	45.11
Changes in Equity Share Capital during the year	2.62
Balance as at March 31, 2022	47.73

B. Other Equity (excluding share application money pending allotment):

(Rs. in Crores)

Particulars	Note	Equity Component of Compulsorily Convertible Debentures	Reserves & Surplus: Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Other Items in OCI: Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	Total
Balance as at April 01, 2020		1,527.35	2,379.74	9,703.43	61.73	822.53	5,798.55	2,612.12	(14.32)	(308.26)	22,582.87
Profit after tax for the year		-	-	-	-	-	-	39.90	-	-	39.90
Other Comprehensive Expense (net of tax expense) for the year		-	-	-	-	-	-	(3.24)	10.02	373.77	380.55
Total Comprehensive Income/(Loss) for the year	17	-	-	-	-	-	-	**36.66**	**10.02**	**373.77**	**420.45**
Transfer from/to Debenture Redemption Reserve		-	-	-	-	(818.37)	-	818.37	-	-	-
On account of sale of pharma business to Piramal Pharma Limited (Refer note 53)			446.76					-	4.30	-	451.06
Dividend paid during the year		-	-	-	-	-	-	(315.75)	-	-	(315.75)
Balance as at March 31, 2021		**1,527.35**	**2,826.50**	**9,703.43**	**61.73**	**4.16**	**5,798.55**	**3,151.40**	**-**	**65.51**	**23,138.63**

Particulars	Note	Equity Component of Compulsorily Convertible Debentures	Reserves & Surplus: Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Other Items in OCI: Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	Total
Balance as at April 01, 2021		1,527.35	2,826.50	9,703.43	61.73	4.16	5,798.55	3,151.40	-	65.51	23,138.63
Profit after tax for the year		-	-	-	-	-	-	572.28	-	-	572.28
Other Comprehensive Expense (net of tax expense) for the year		-	-	-	-	-	-	(0.31)	-	28.45	28.14
Total Comprehensive Income/(Loss) for the year		-	-	-	-	-	-	**571.97**	**-**	**28.45**	**600.42**
Transfer from/to Debenture Redemption Reserve	17	-	-	-	-	(2.16)	-	2.16	-	-	-
Issue and conversion of Compulsorily Convertible Debentures -Equity Component		(1,527.35)		1,525.03	-	-	-	-	-	-	(2.32)
Rights Issue of Equity shares		-	-	199.37	-	-	-	-	-	-	199.37
On account of sale of pharma business to Piramal Pharma Limited (Refer note 53)		-	(74.71)	-	-	-	-	-	-	-	(74.71)
Dividend paid during the year		-	-	-	-	-	-	(787.59)	-	-	(787.59)
Balance as at March 31, 2022		**-**	**2,751.79**	**11,427.83**	**61.73**	**2.00**	**5,798.55**	**2,937.94**	**-**	**93.96**	**23,073.80**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Mumbai, May 26,2022

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman
Mumbai, May 26,2022

Vivek Valsaraj
Chief Financial Officer
Mumbai, May 26,2022

Bipin Singh
Company Secretary
Mumbai, May 26,2022

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL) (including its subsidiaries) is one of India's large diversified companies, with a presence in Pharmaceuticals and Financial Services.

In Pharma, through end-to-end manufacturing capabilities across 14 global facilities and a large global distribution network to over 100 countries, The Group sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Products segment in India.

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that 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 long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

Compliance with Ind AS

The standalone 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.

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.

Historical Cost convention

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value.

ii) Investments in subsidiaries, associates, joint operations and joint ventures

Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

An associate is an entity over which the Company 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.

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. The Company has only joint ventures.

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.

The Company 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, if any.

Investments in Subsidiaries, Associates and Joint ventures are accounted at cost.

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Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

iii) **Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other items of Property Plant & Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to 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

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013/ on the basis of technical evaluation, which are as follows:

Asset Class	**Useful life**
Buildings*	10 years - 60 years
Roads	10 years
Furniture & Fixtures	3 years - 15 years
Plant & Equipment	3 years - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	8 years
Helicopter	20 years
Ships	13 years
Land Freehold	25 years

*Useful life of leasehold improvements is as per lease period

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

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

iv) **Intangible Assets**
Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the 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	10 - 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years
Computer Software	3 - 6 years

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

v) **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.

vi) **Impairment of Assets**
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or 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 the Company 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 Company 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.

Subsequent Measurement

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 Company 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 Company 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.

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Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

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 the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of 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 the statement of profit and 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 Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification on decrecognition of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss when the Company'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 statement of profit and loss.

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

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

1) Significant negative deviation in the business plan of the borrower
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the borrower
4) Need for refinance of loan due to change in cash flow of the project
5) Significant decrease in the value of collateral
6) Change in market conditions and industry trends

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

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

Derecognition of financial assets
A financial asset is derecognised only when:
- The Company 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 Company 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.

Non-current 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. Noncurrent 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.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a Company 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.

DELOITTE HASKINS & SELLS LLP MUMBAI

Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

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 Company 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. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Foreign exchange gains and losses

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

Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

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

(ii) Derivatives that are not designated as hedges:
The Company 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.

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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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

x) **Employee Benefits**
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(iii) Post-employment obligations
The company operates the following post-employment schemes:
- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity
In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans
The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit 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.

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.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
Bonus Plans
The Company recognises a liability and an expense for bonuses. The Company 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 company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

xii) **Revenue recognition**
Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods: Revenue from the sale of goods is recognised when the Company 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 Company 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 Company 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 Company has a right to invoice.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

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

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Notes to financial statements for the year ended March 31, 2022

xiii) **Foreign Currency Transactions**
In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee 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 the statement of profit and 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.

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

xv) **Leases**
Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements 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 the statement of profit and 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.

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 current liabilities in the balance sheet.

xviii) **Borrowing Costs**
General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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xix) **Segment Reporting**

The Chairman of the Company 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 CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Company 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).

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same annual report and therefore, no separate disclosure on segment information is given in these financial statements.

xx) **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 March 23, 2022, MCA amended the Companies.

Ind AS 103 - Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

xxi) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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 II, Schedule III, unless otherwise stated.

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2b. Critical accounting judgements and key sources of estimation uncertainties

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

i **Estimation of uncertainty relating to COVID-19 global health pandemic**

In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these standalone financial statements. The Company 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 company's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to

ii **Fair Valuation:**

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model.

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

iii **Expected Credit Loss:**

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 Company 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). This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Company in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 47f.

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

The Company 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 base on future cash flows and a suitable discount rate in order to calculate the present value.

v **Deferred Taxes**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

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3. PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS

Rs. in Crores

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT	
	Opening As at April 1, 2021	Additions	Deductions/ Adjustments	Transferred on sale of Pharma Business (Refer Note 53)	As at March 31, 2022 (A)	Opening As at April 1, 2021	For the year	Deductions/ Adjustments	Transferred on sale of Pharma Business (Refer Note 53)	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)	As at March 31, 2021
Tangible Assets												
Land Freehold	0.49	-	-	-	0.49	-	-			-	0.49	0.49
Buildings	35.05	2.20	-	-	37.25	7.33	1.83			9.16	28.09	27.72
Roads	1.43	-	-	-	1.43	0.92	0.09			1.01	0.42	0.51
Plant & Equipment	47.40	3.98	-	-	51.38	26.77	3.02			29.79	21.59	20.63
Furniture and fixtures	18.11	1.21	0.16	-	19.16	14.09	2.11	0.15		16.05	3.11	4.02
Motor Vehicles	7.25	-	1.38	-	5.87	3.97	0.75	1.38		3.34	2.53	3.28
Ships	0.88	-	-	-	0.88	0.52	0.09			0.61	0.27	0.36
Helicopter^	9.60	-	-	-	9.60	3.24	0.54			3.78	5.82	6.36
Office equipment	4.68	0.79	-	-	5.47	0.42	0.54			0.96	4.51	4.26
Total (I)	**124.89**	**8.18**	**1.54**	**-**	**131.53**	**57.26**	**8.97**	**1.53**	**-**	**64.70**	**66.83**	**67.63**
Intangible Assets (Acquired)												
Computer Software	15.16	0.31	-	-	15.47	10.79	1.21			12.00	3.47	4.37
Total (II)	**15.16**	**0.31**	**-**	**-**	**15.47**	**10.79**	**1.21**	**-**	**-**	**12.00**	**3.47**	**4.37**
Grand Total (I+II)	**140.05**	**8.49**	**1.54**	**-**	**147.00**	**68.05**	**10.18**	**1.53**	**-**	**76.70**	**70.30**	**72.00**

Rs. in Crores

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT	
	Opening As at April 1, 2020	Additions	Deductions/ Adjustments	Transferred on sale of Pharma Business (refer Note 53)	As at March 31, 2021 (A)	Opening As at April 1, 2020	For the Year #	Deductions/ Adjustments	Transferred on sale of Pharma Business (refer Note 53)	As at March 31, 2021 (B)	As at March 31, 2021 (A-B)	As at March 31, 2020
Tangible Assets												
Land Freehold	21.46	-	-	20.97	0.49	-	-	-	-	-	0.49	21.46
Buildings	776.03	0.27	14.67	726.58	35.05	67.86	11.50	6.83	65.20	7.33	27.72	708.17
Roads	3.47	-	-	2.04	1.43	1.39	0.25	-	0.72	0.92	0.51	2.08
Plant & Equipment	887.64	24.84	25.30	839.78	47.40	284.02	32.89	15.52	274.62	26.77	20.63	603.62
Furniture and fixtures	43.25	0.10	1.62	23.62	18.11	19.96	3.50	1.11	8.26	14.09	4.02	23.29
Motor Vehicles	8.01	-	-	0.76	7.25	3.49	0.83	-	0.35	3.97	3.28	4.52
Ships	0.88	-	-	-	0.88	0.44	0.08	-	-	0.52	0.36	0.44
Helicopter^	9.60	-	-	-	9.60	2.70	0.54	-	-	3.24	6.36	6.90
Office equipment	27.22	2.27	3.09	21.72	4.68	12.91	2.51	1.97	13.03	0.42	4.26	14.31
Total (I)	**1,777.56**	**27.48**	**44.68**	**1,635.47**	**124.89**	**392.77**	**52.10**	**25.43**	**362.18**	**57.26**	**67.63**	**1,384.79**
Intangible Assets (Acquired)												
Product-related Intangibles - Brands and Trademarks	451.51	-	-	451.51	-	126.24	16.33	-	142.57	-	-	325.27
Product-related Intangibles-Copyrights, Know-how and Intellectual property rights	17.79	-	-	17.79	-	8.93	0.88	-	9.81	-	-	8.86
Computer Software	47.08	2.78	3.09	31.61	15.16	25.04	4.14	3.09	15.30	10.79	4.37	22.04
Intangible Assets (Internally Generated)												
Product Know-how	2.32	6.55	2.32	6.55	-	0.95	0.40	1.04	0.31	-	-	1.37
Total (II)	**518.70**	**9.33**	**5.41**	**507.46**	**15.16**	**161.16**	**21.75**	**4.13**	**167.99**	**10.79**	**4.37**	**357.54**
Grand Total (I+II)	**2,296.26**	**36.81**	**50.09**	**2,142.93**	**140.05**	**553.93**	**73.85**	**29.56**	**530.17**	**68.05**	**72.00**	**1,742.33**

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Notes to financial statements for the year ended March 31, 2022

3. PROPERTY, PLANT & EQUIPMENT, INTANGIBLE ASSETS AND CAPITAL WORK IN PROGRESS
i. Ageing schedule of Capital Work-in-Progress (CWIP)

Rs. in Crores

As at March 31, 2022	Amount in CWIP for a period of				
Particulars	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	Total
Projects in progress	3.46	-	-	-	3.46
Projects temporarily suspended	-	-	-	-	-
Grand Total	3.46	-	-	-	3.46

As at March 31, 2021	Amount in CWIP for a period of				
Particulars	Less than 1 year	1 to 2 years	2-3 years	More than 3 years	Total
Projects in progress	1.24	-	-	0.07	1.31
Projects temporarily suspended	-	-	-	-	-
Grand Total	1.24	-	-	0.07	1.31

ii. Project wise details of CWIP whoes completion is overdue or has exceeded its cost compared to its original plan.

	To be completed in				
As at March 31, 2022	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Particulars					-
Project 1	2.12	-	-	-	2.12
Others	0.13		-	-	0.13
Grand Total	2.25	-	-	-	2.25

Rs. in Crores

	To be completed in				
As at March 31, 2021	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Particulars					-
Project 1	0.07	-	-	-	0.07
Grand Total	0.07	-	-	-	0.07

Refer Note 2(a)(iii)

\# Depreciation for the year ended March 31, 2022 includes depreciation amounting to Rs. Nil Crores (Previous Year Rs 4.67 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

^ The Company has a 25% share in joint ownership of Helicopter
Refer Note 39 for the assets mortgaged as security against borrowings.
Refer Note 36B for the contractual capital commitments for purchase of Property, Plant & Equipment
There has been no revaluation of property, plant and equipment ("PPE") and intangibles during the year ended March 31, 2022 and March 31, 2021
The Company holds the title deeds of all the immovable properties in its name.
Considering internal and external sources of information, the Company 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 Company 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 Company's best estimate of the recoverable amounts

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Notes to financial statements for the year ended March 31, 2022

4 Investments

Investments - Non Current:

Particulars	As at March 31, 2022 (Rs. in Crores)		As at March 31, 2021 (Rs. in Crores)	
Investments in Equity Instruments (fully paid up, unless otherwise stated):				
A. In Subsidiaries (Unquoted) - At cost:				
i. PHL Fininvest Private Limited		4,667.17		4,667.17
ii. Piramal Holdings (Suisse) SA				
Class A shares	106.70		106.70	
Class B shares (Non Voting)	1,224.80		1,224.80	
Add: Capital Contribution (Guarantee)	8.88		8.88	
Less: Impairment Provision	1,312.35	28.03	1,312.35	28.03
iii. Piramal Systems and Technologies Private Limited##	49.43		4.50	
Less: Impairment Provision	49.43	-	4.50	-
iv. PEL Finhold Private Limited##	23.53		0.03	
Add: Capital Contribution	45.52		45.52	
Less: Impairment Provision	69.05	-	45.55	-
v. Piramal Fund Management Private Limited		108.26		108.26
vi. Piramal Investment Advisory Services Private Limited		2.70		2.70
vii. Piramal Consumer Products Private Limited		14.57		14.57
viii. Piramal Dutch IM Holdco B.V.***#		-*		143.49
ix. Piramal Capital and Housing Finance Limited	7,896.65		7,896.65	
Add: Capital Contribution (Guarantee)	3.77	7,900.42	3.77	7,900.42
x. Piramal Asset Management Private Limited		1.00		1.00
xi. Piramal Securities Limited		42.00		42.00
xii. Piramal Pharma Limited #**		1,463.45		871.55
xiii. Virdis Power Infrastructure Managers Private Limited		0.01		0.01
xiv. Viridis Infrastructure Investment Managers Private Limited		0.01		0.01
		14,227.62		**13,779.21**
B. In Joint Ventures (Unquoted) - At Cost:				
i. India Resurgence ARC Private Limited		54.00		54.00
ii. India Resurgence Asset Management Business Private Limited		20.00		20.00
iii. Shrilekha Business Consultancy Private Limited		2,146.16		2,146.16
		2,220.16		**2,220.16**
C. In Associates :				
Unquoted - At Cost:				
i. Shriram Capital Limited		0.01		0.01
		0.01		**0.01**
D. Other Bodies Corporate:				
Quoted - At FVTOCI [(Refer note 47 (c)]				
i. Shriram City Union Finance Limited (Face Value of Rs. 10 each)		1,068.63		897.36
ii. Clarivate PLC		367.85		558.71
		1,436.48		**1,456.07**
Unquoted - At FVTPL:				
i. Others		0.15		-*
		0.15		-
Investments in Preference Shares (fully paid up):				
A. In Subsidiaries (Unquoted):- at FVTPL				
Optionally Convertible Participative Preference Shares				
i. Piramal Fund Management Private Limited		105.00		105.00
B. In Joint Venture (Unquoted) - At FVTPL				
i. **Compulsorily Convertible Preference Shares**				
India Resurgence ARC Pvt Ltd		1.84		-
		106.84		**105.00**
Investment in Debentures :				
A. In Subsidiaries (Quoted):				
Non-Convertible Debentures - At amortised cost				
Piramal Capital Housing Finance Limited		-		269.26
		-		**269.26**
B. In Subsidiaries (Unquoted) – At FVTPL				
Optionally Convertible Debentures	36.03		37.04	
Less: Provision for impairment based on expected credit loss model	-		(37.04)	
Less: Converted to Equity##	(36.03)	-	-	-
		-		-
C. In Joint Venture (Unquoted) - At FVTPL				
Non Current Debentures				
India Resurgence ARC Pvt Ltd		46.50		-
		46.50		-
D. In Joint Venture (Unquoted) - At amortised cost				
India Resurgence Asset Management Business Private Limited		13.14		17.03
		13.14		**17.03**

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Notes to financial statements for the year ended March 31, 2022

Investments - Non Current (contd.) :

Particulars	As at March 31, 2022 (Rs. in Crores)		As at March 31, 2021 (Rs. in Crores)	
E. Other Bodies Corporate:				
Unquoted:				
Redeemable Non-Convertible Debentures - At Amortised Cost	272.49		394.44	
Less: Provision for Impairment based on Expected credit loss model	(163.40)	109.09	(163.40)	231.04
		109.09		**231.04**
Investments in Alternative Investment Funds (Refer note 51)				
A. In Subsidiaries - At Cost: (Unquoted)				
Class A Units of Piramal Investment Opportunities Fund Scheme - I		2.65		2.65
		2.65		**2.65**
B. In Joint Ventures - At Cost: (Unquoted)				
Piramal Ivanhoe Residential Equity Fund 1		-		115.29
India Resurgence Fund - Scheme 2		236.76		170.19
		236.76		**285.48**
C. In Other Body Corporate - At FVTPL (Unquoted)		1,109.52		634.84
		1,109.52		**634.84**
		1,348.93		**922.97**
Non Current Investments		**19,508.94**		**19,000.75**

* Amounts are below the rounding off norm adopted by the Company.

#**During the year ended March 31, 2022 Piramal Pharma Limited ("PPL) a wholly owned subsidiary has issued 96,57,423 equity shares of face value of Rs. 10 each in lieu of the outstanding payables of Rs. 592 crore to the Company.

***# During the year ended March 31, 2022, Piramal Dutch IM Holdco B.V. ("Dutch IM"), a wholly owned subsidiary of the company has repurchased 2,00,00,000 shares held by the company, at a nominal value of EUR 1 per share aggregating to the total consideration of Rs. 167.32 crores.

During the quarter ended March 31, 2022, the company has exercised conversion option in respect of optionally convertible debentures (including accrued interest) of Rs. 36.03 Crores held in Piramal Systems and Technologies Private Limited ("PSTPL"), a wholly owned subsidiary of the Company. On conversion, the Company has received 3,60,26,630 equity shares of face value of Rs. 10 each. Further, the Company has also received 89,07,451 equity shares of face value of Rs. 10 each, on conversion of outstanding loan of Rs. 8.90 Crores given by the Company to PSPTL.

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4 Investments

Investments - Current :

Particulars	As at March 31, 2022 (Rs. in Crores)	As at March 31, 2021 (Rs. in Crores)
Investment in Debentures:		
In Other Body Corporates		
Quoted :		
Redeemable Non-Convertible Debentures - At FVTPL	512.81	554.60
Unquoted :		
Redeemable Non-Convertible Debentures - At Amortised Cost	-	19.93
	512.81	574.53
Investment in Mutual Funds (Quoted) - At FVTPL:	604.44	250.01
Current Investments	1,117.25	824.54

Aggregate market value of quoted investments		
- Non-Current	1,436.48	1,725.33
- Current	1,117.25	804.61
Aggregate carrying value of quoted investments (Gross)		
- Non-Current	1,436.48	1,725.33
- Current	1,117.25	804.61
Aggregate carrying value of unquoted investments (Gross)		
- Non-Current	19,666.52	18,801.22
- Current	-	19.93
Aggregate amount of impairment in value of investments	1,594.23	1,525.80

Refer Note 39 for Investments mortgaged as security against borrowings.

Details of Investments:

(i) **Financial Assets carried at Cost**		
Investments in Equity Instruments of Subsidiaries	14,227.62	13,779.21
Investments in Equity Instruments of Joint Ventures	2,220.16	2,220.16
Investments in Equity Instruments of Associates	0.01	0.01
Investments in Alternative Investment Fund	239.41	288.13
	16,687.20	16,287.51
(ii) **Financial assets carried at fair value through profit or loss (FVTPL)**		
Equity	0.15	-
Preference Shares	106.84	105.00
Mutual Funds	604.44	250.01
Share warrants	-	-
Debentures	559.31	554.60
Alternative Investment Fund	1,109.52	634.84
	2,380.26	1,544.45
(iii) **Financial assets carried at amortised cost**		
Debentures	122.23	537.26
	122.23	537.26
(iv) **Financial assets measured at FVTOCI**		
Equity instruments - Equity Shares	1,436.50	1,456.07
	1,436.50	1,456.07
Total	20,626.19	19,825.29

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	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
5 DEFERRED TAX ASSETS (NET)				
(a) Deferred Tax Assets on account of temporary differences :				
- Provision for assets of financial services	58.19		59.84	
- Other Provisions	12.10		11.32	
- Amortisation of expenses which are allowed in current year	0.14		0.19	
- Expenses that are allowed on payment basis	9.61		18.17	
- Measurement of financial assets at amortised cost/fair value	33.59		34.03	
- Deferred Revenue	21.72		35.68	
- Effect of recognition of lease rent expense	2.27		1.35	
		137.62		160.58
(b) Deferred Tax Liabilities on account of temporary differences :				
- Property, Plant and Equipment and Intangible Assets	(8.69)		(7.79)	
- Measurement of financial liabilities at amortised cost	(9.25)		(31.27)	
- Fair value measurement of derivative contracts	-		(0.16)	
		(17.94)		(39.22)
NET DEFERRED TAX ASSETS		**119.69**		**121.36**

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation law.
Refer Note 50 for movements during the year.

	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
6 LOANS - NON-CURRENT				
AT AMORTISED COST:				
Inter Corporate Deposits Receivables (Secured) - Credit Impaired				
Inter Corporate Deposits	75.17		89.00	
Less: Provision for expected credit loss	50.00	25.17	50.00	39.00
Terms Loans Receivables (Secured) - Credit Impaired				
Term Loans	24.38		24.38	
Less: Provision for expected credit loss	24.38	-	24.38	-
Loans (Unsecured And Considered Good)				
Loans to related parties (refer note 38)		5,170.57		6,514.69
TOTAL		**5,195.74**		**6,553.69**

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)

	March 31, 2022	March 31, 2021
7 OTHER FINANCIAL ASSETS - NON-CURRENT		
Bank deposits with more than 12 months maturity	2.43	35.93
Security Deposits	12.97	13.61
TOTAL	**15.40**	**49.54**
8 OTHER NON-CURRENT ASSETS		
Advance tax (Net of provision of Rs.4,625.70 crores as at March 31, 2022 (Previous Year Rs.4,532.59 crores))	485.65	448.55
Capital Advances	-	0.09
Advances recoverable	0.01	0.02
TOTAL	**485.66**	**448.66**

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Notes to financial statements for the year ended March 31, 2022

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
9 INVENTORIES		
Raw and Packing Materials [Stock in transit is Nil as on 31 March 2022 (Previous Year is Nil)]	29.41	15.68
Work-in-Progress	29.99	13.14
Finished Goods	26.45	24.77
Stock-in-trade	125.09	47.16
Stores and Spares	1.61	1.29
TOTAL	**212.55**	**102.04**

Notes:
1. Refer Note 39 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was Rs. 975.34 Crores (Previous year Rs. 857.01 Crores). It includes Rs. Nil (previous year Rs 415.28 crores) pertaining to the discontinued operations.
3. The cost of inventories recognised as an expense includes Rs. 1.38 Crores (Previous year expense of Rs. 0.93 Crores) in respect of write downs of inventory to net realisable value and an expense charge of Rs. 0.56 Crores (Previous year reversal of Rs. 6.28 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.

	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
10 TRADE RECEIVABLES				
(a) Secured - Considered Good	0.09		0.18	
(b) Unsecured - Considered Good	146.08		155.30	
Less: Expected Credit Loss on (b)	(0.40)	145.77	(0.40)	155.08
(c) Unsecured - Considered Doubtful	10.45		7.39	
Less: Expected Credit Loss on (c)	(10.45)	-	(7.39)	-
TOTAL		**145.77**		**155.08**

The credit period on sale of goods generally ranges from 7 to 150 days (Previous Year: 7 to 90 days)
The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), Company 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.

Of the Trade Receivables balance as at March 31, 2022 of Rs. 156.62 Crores (as at March 31, 2021 of 162.87 Crores), the top 3 customers of the Company represent the balance of Rs. 57.91 Crores as at March 31, 2022 (as at March 31, 2021 - 42.03 Crores). There were five customers (Previous year : four customers) who represent more than 5% of total balance of Trade Receivables.

The Company 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 considering emerging situations due to COVID-19 based on external sources of information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%) - For external customers
Less than 365 days	0.30%
More than 365 days	100.00%

(Rs. in Crores)

Ageing of Expected credit loss	As at March 31, 2022	As at March 31, 2021
Within due date	0.26	0.28
After Due date	10.59	7.51

As at March 31, 2022	Outstanding for following periods from the due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2yr-3yr**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	92.87	48.02	4.80	0.48	-	-	146.17
Undisputed Trade Receivables – considered doubtful	-	-		3.50	0.55	6.33	10.38
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considered doubtful	0.07	-	-	-	-	-	0.07
Grand Total	**92.94**	**48.02**	**4.80**	**3.98**	**0.55**	**6.33**	**156.62**

As at March 31, 2021	Outstanding for following periods from the due date of payment						
Particulars	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 year - 2 years**	**2yr-3yr**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	111.10	41.54	2.46	0.38	-	-	155.48
Undisputed Trade Receivables – credit impaired	-	-		0.83	1.05	5.17	7.05
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	0.34	-	-	-	-	-	0.34
Grand Total	**111.44**	**41.54**	**2.46**	**1.21**	**1.05**	**5.17**	**162.87**

Movement in Expected Credit Loss Allowance:	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	7.79	26.69
Less: Amounts Transferred to Piramal Pharma Limited	-	(23.66)
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses *	3.06	4.76
Balance at the end of the year	**10.85**	**7.79**

Refer Note 38 for the receivables from Related Parties
Refer Note 39 for the receivables hypothecated as security against borrowings.
* It includes Nil (Previous year Rs. 2.98 Crores) transferred to Piramal Pharma Limited on account of pharma transaction (Refer Note 53)

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Notes to financial statements for the year ended March 31, 2022

		As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores
11 CASH AND CASH EQUIVALENTS				
- Cash and Cash equivalents				
i. Balance with Banks :				
- Current Accounts		175.22		893.23
- Fixed deposit with banks		799.97		-
ii. Cash on Hand*		0.00		0.01
TOTAL		**975.19**		**893.24**

*Amounts are below the rounding off norms adopted by the company

12 OTHER BANK BALANCES				
i. Earmarked balances with banks :				
- Unclaimed Dividend Account	16.43		20.68	
- Others *	82.88		49.73	
		99.31		70.41
ii. Margin Money		3.92		2.46
TOTAL		**103.23**		**72.87**

* Current year mainly comprises of bank fixed deposits.

		As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores
13 LOANS - CURRENT				
Loans Receivables from Related Parties (Unsecured and Considered Good) (refer note 38)		414.24		300.16
Inter Corporate Deposits Receivables (Unsecured and Considered Good)		-		6.84
Inter Corporate Deposits	8.30		8.30	
Less: allowance for expected credit loss	8.30	-	8.30	-
TOTAL		**414.24**		**307.00**

		As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores
14 OTHER FINANCIAL ASSETS - CURRENT				
Security Deposits		1.83		4.79
Guarantee Commission receivable		2.60		6.60
Other Receivables from Related Parties		59.29		665.08
Interest Accrued		3.39		2.04
Others		9.49		6.49
TOTAL		**76.60**		**685.00**

		As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores
15 OTHER CURRENT ASSETS				
Unsecured and Considered Good (Unless otherwise stated)				
Advances :				
Unsecured and Considered Good	10.05		39.68	
Considered Doubtful	1.46		1.46	
	11.51		41.14	
Less: Allowance for expected credit losses	1.46	10.05	1.46	39.68
Balance with Government Authorities		70.74		48.74
Prepayments		2.15		5.75
Claims Receivable		5.37		-
TOTAL		**88.31**		**94.17**

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16 SHARE CAPITAL

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
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 (226,138,301) Equity Shares of Rs. 2/- each	47.74	45.23
TOTAL	47.74	45.23
SUBSCRIBED AND PAID UP		
238,663,700 (225,538,356) Equity Shares of Rs. 2/- each	47.73	45.11
TOTAL	47.73	45.11

(i) **Movement in Equity Share Capital**

	As at March 31, 2022		As at March 31, 2021	
Particulars	No. of shares	Rs. in Crores	No. of shares	Rs. in Crores
At the beginning of the year	22,55,38,356	45.11	22,55,38,356	45.11
Add: Issued during the year	1,31,25,344	2.63	-	-
Less: Shares cancelled during the year	-	-	-	-
At the end of the year	23,86,63,700	47.73	22,55,38,356	45.11

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

	As at March 31, 2022		As at March 31, 2021	
Particulars	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal	7,88,77,580	34.97%	7,88,77,580	34.97%
Life Insurance Corporation of India	1,86,82,087	8.28%	1,86,82,087	8.28%

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

	As at March 31, 2022		
Name of the Promoter	No. of shares	% of total shares	% change during the year
Ajay G. Piramal	1,23,296	0.05%	-
Swati A Piramal	2,100	0.00%	0.00%
Anand Piramal	1,97,097	0.08%	-0.01%
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	0.00%
Peter DeYoung	1,08,000	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	89,73,913	3.76%	-0.22%
The Ajay G Piramal Foundation	9,86,731	0.41%	-0.03%
V3 Designs LLP	97,01,000	4.06%	-0.24%
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	0.00%
Aasan Corporate Solutions Private Limited	20,13,875	0.84%	-0.05%
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,05,828	1.01%	-0.09%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	33.05%	-1.92%
	10,38,00,715	43.49%	-2.57%

	As at March 31, 2021		
Name of the Promoter	No. of shares	% of total shares	% change during the year
Ajay G. Piramal	1,23,296	0.05%	-
Swati A Piramal	2,100	0.00%	-
Anand Piramal	1,97,097	0.09%	-
Nandini Piramal	45,487	0.02%	0.00%
Lalita G. Piramal	1,234	0.00%	-
Peter DeYoung	1,08,000	0.05%	-
Anya Piramal DeYoung	48,000	0.02%	-
Master Dev Piramal Deyoung	48,000	0.02%	-
Ajay G. Piramal (Karta of Ajay G Piramal HUF)	6,507	0.01%	-
PRL Realtors LLP	89,73,913	3.98%	-
The Ajay G Piramal Foundation	9,86,731	0.44%	-
V3 Designs LLP	97,01,000	4.30%	-
Anand Piramal Trust	1,39,327	0.06%	0.00%
Nandini Piramal Trust	1,22,740	0.05%	-
Aasan Corporate Solutions Private Limited	20,13,875	0.89%	-
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	24,79,643	1.10%	0.00%
The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal)	7,88,77,580	34.97%	-
	10,38,74,530.0	46.06%	0.00

(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 (Refer note 52 (d))	2019-20	3,05,865

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

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

17 OTHER EQUITY

	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
Capital Reserve		2,751.79		2,826.50
Securities Premium		11,427.83		9,703.43
Capital Redemption Reserve		61.73		61.73
Debenture Redemption Reserve		2.00		4.16
Equity component of Compulsorily Convertible Debentures		-		1,527.35
General Reserve		5,798.55		5,798.55
FVTOCI - Equity Instruments		93.96		65.51
Retained Earnings		2,937.94		3,151.40
TOTAL		23,073.80		23,138.63
CAPITAL RESERVE				
At the beginning of the year	2,826.50		2,379.74	
Less: on account of sale of pharma business to Piramal Pharma Limited	(74.71)		446.76	
		2,751.79		2,826.50

This reserve is outcome of business combinations carried out during the current year and previous years

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	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
SECURITIES PREMIUM				
At the beginning of the year	9,703.43		9,703.43	
Add: Issue and Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer note 52)	1,525.03		-	
Add: Rights Issue of Equity shares	199.37		-	
		11,427.83		9,703.43

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

CAPITAL REDEMPTION RESERVE				
At the beginning of the year	61.73		61.73	
Add: Transferred during the year	-		-	
		61.73		61.73

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

SECURITIES PREMIUM ACCOUNT
As per last Balance Sheet
Less: Utilised for buy back of shares (Refer Note 4.5)

DEBENTURE REDEMPTION RESERVE				
At the beginning of the year	4.16		822.53	
Add/(Less): Transferred during the year on repayment	(2.16)		(818.37)	
		2.00		4.16

The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014.

EQUITY COMPONENT OF COMPULSORILY CONVERTIBLE DEBENTURES				
At the beginning of the year	1,527.35		1,527.35	
Less: Issue and conversion of Compulsorily Convertible Debentures -Equity Component (Refer Note 52)	(1,527.35)		-	
		-		1,527.35

This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Refer Note 18 and 22)

GENERAL RESERVE				
At the beginning of the year	5,798.55		5,798.55	
Add: Transfer during the year	-		-	
Less: Utilised during the year	-		-	
		5,798.55		5,798.55

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.

FVTOCI - EQUITY INSTRUMENTS				
At the beginning of the year	65.51		(308.26)	
Add/ (Less): Changes in Fair value of FVTOCI Equity instruments (net of tax)	28.45		373.77	
		93.96		65.51

The Company 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 Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

CASH FLOW HEDGING RESERVE				
At the beginning of the year	-		(14.32)	
Less:Transfer on account of sale of pharma business to Piramal Pharma Limited	-		4.30	
Add/(Less) : Movement during the year	-		10.02	
		-		-

The Company 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 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 47(e))

	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
RETAINED EARNINGS				
At the beginning of the year	3,151.40		2,612.12	
Add/(Less) : Profit/ (Loss) for the year	572.28		39.90	
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	(0.31)		(3.24)	
Add/ (Less) : Transfer from/ (to) Debenture Redemption Reserve	2.16		818.37	
Less : Dividend paid (including Dividend Distribution Tax)	(787.59)		(315.25)	
		2,937.94		3,151.40
TOTAL		23,073.81		23,138.65

On May 13, 2021, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores was recommended by the Board of Directors which was approved by the Shareholders in annual general meeting held on May 13, 2021.
On May 26, 2022, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores was recommended by the Board of Directors which was approved by the Shareholders in annual general meeting held on May 26, 2022.

18 BORROWINGS - NON CURRENT

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
Secured - at amortized cost		
Term Loan From Banks :		
Rupee Loans	-	720.35
Term Loan From Others	-	218.99
Redeemable Non Convertible Debentures	3,749.07	2,446.87
TOTAL	3,749.07	3,386.21

Terms of repayment, nature of security & rate of interest in case of Secured Loans (includes amount included in Current Maturities of Long Term Debt-Refer Note 21)

A. Term Loan from Banks -Rupee Loans #

(Rs. in Crores)

Nature of Security	Terms of repayment	Principal oustanding as at March 31, 2022	Principal oustanding as at March 31, 2021
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	500.00
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 36 months from the date of first drawdown principal repayable in 12 months-10.00%, repayable in 24 months-20% ,repayable in 36 months-70 %	-	256.00

The coupon rates for the above loans are Nil per annum (Previous Year : 11.25 % per annum)
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

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B. Term Loan from other than Banks -Rupee Loans #

Nature of Security	Terms of repayment	Principal oustanding as at March 31, 2022	Principal oustanding as at March 31, 2021
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	125.00
First ranking exclusive pledge over certain shares of Piramal Pharma Limited in favour of the Security Trustee for the benefit of the Lenders and the Lenders successors	Total Tenor of 30 months from the date of first drawdown principal repayable in 24 months -33.34%,repayable in 27 months - 33.33 % , repayable in 30 months -33.33%	-	100.00

The coupon rates for the above loans are Nil per annum (Previous Year : 11.25 % per annum)
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

C. Redeemable Non Convertible Debentures:

Nature of Security	Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
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.	50 (Previous Year : 50) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment. The interest is payable annually	5.00	5.00
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.	350 (Previous Year : 350) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment.The interest is payable annually	35.00	35.00
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.	760 (Previous Year : 760) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment.The interest is payable quarterly	76.00	76.00
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.	19,425(Previous Year : 25,900) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 1942.50 Crores is redeemable at par at the end of 1,096 days from the date of allotment.The interest is payable quarterly	1,942.50	2,590.00
Secured by a First Pari Passu charge by way of hypothecation of Receivables of Inter-Company Deposits placed with PHL Fininvest Private Limited from Piramal Enterprises Limited and a first ranking pari passu mortgage over specifically mortgaged premises.	5,000 (Previous Year : 5,000) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 500 Crores is redeemable at par at the end of 1,093 days from the date of allotment.The interest is payable annually	500.00	500.00
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.	NIL (Previous Year : 100) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs 10 Crores is redeemable at par at the end of 1826 days from the date of allotment. The interest is payable annually	-	10.00
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	3,650 (Previous Year : NIL) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 365 Crores is redeemable at par at the end of 730 days from the date of allotment.The interest is payable on redemption	365.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	500 (Previous Year : NIL) 8.25% Secured Rated Listed Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 50 Crores is redeemable at par at the end of 723 days from the date of allotment.The interest is payable on redemption	50.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	750 (Previous Year : NIL) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 75 Crores is redeemable at par at the end of 723 days from the date of allotment.The interest is payable on redemption	75.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	1,250 (Previous Year : NIL) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 125 Crores is redeemable at par at the end of 915 days from the date of allotment.The interest is payable on redemption	125.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	1750 (Previous Year : NIL) (payable on redemption) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 175 Crores is redeemable at par at the end of 889 days from the date of allotment.The interest is payable on redemption	175.00	-
Secured by a First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	4,000 (Previous Year : NIL) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	The amount of Rs 400 Crores is redeemable at par at the end of 912 days from the date of allotment.The interest is payable on redemption	400.00	-

The coupon rates for the above debentures are in the range of 8.00% to 9.75 % per annum per annum (Previous Year : 8.55% to 9.75 % per annum)
Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

Terms and Description of Compulsorily Convertible Debentures:
Compulsorily Convertible debentures (CCD) outstanding as at 31 March 2022 is Nil. Each CCD has a par value of Rs. 151,000 and is convertible at the option of the CCD holder into Equity shares of the Company starting from December 19, 2019 in the ratio of hundred equity share of Rs. 2 each for every one CCD held. Any CCD not converted will be compulsory converted into equity shares on June 12, 2021 at a price of Rs. 1,510 per share. The CCD carry a coupon of 9.28% per annum, payable in 3 half-yearly instalments. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies. The CCDs alloted and the equity shares arising out of conversion of such CCDs shall not be disposed off for a period of 18 months from the date of trading approval.

During the previous year ended March 31, 2021, outstanding CCD were Rs. 1749.99 Crores.

Refer Note 52(a) for movement in CCDs.

The company has utilised the borrowed funds for general business purposes.

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		As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
19	**NON-CURRENT PROVISIONS**		
	Provision for employee benefits	20.87	20.29
	TOTAL	**20.87**	**20.29**
20	**OTHER NON CURRENT LIABILITIES**		
	Deferred Revenue*	35.68	86.31
	TOTAL	**35.68**	**86.31**

*Note: Deferred Revenue is related to Facility Fees Income

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21 **BORROWINGS - CURRENT**

	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
Secured - At Amortised Cost				
Loans from banks :				
- Working capital Demand Loan	-		100.00	100.00
Unsecured - At Amortised Cost				
Loans from banks	-		415.00	
Intercorporate Deposits	-		351.76	
Commercial Papers	1,945.95	1,945.95	1,608.70	2,375.46
Current maturities of long-term debt		152.11		810.23
TOTAL		2,098.06		3,285.69

Note:

Description of loan	Terms of repayment	Rate of Interest
Unsecured Loans:		
Commercial Papers	Repayable within 365 days from date of disbursement	6.00% to 8.00% per annum

Terms of repayment, nature of security & rate of interest in case of Secured Loans:
Working capital Demand Loan

Rs. in Crores

Nature of Security	Terms of repayment	Principal oustanding as at March 31, 2022	Principal oustanding as at March 31, 2021
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on May 31, 2021	-	50.00
First pari passu charge on the standard assets receivables arising out of financial services loan book of the Borrower along with other lenders.	Repayable on April 30, 2021	-	50.00

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

Terms of repayment & rate of interest in case of Unsecured Loans:
Inter Corporate Deposits

Rs. in Crores

Particulars	Terms of Repayment	Principal oustanding as at March 31, 2022	Principal oustanding as at March 31, 2021
Inter Corporate Deposit	Repayment on June 07,2021 for an amount of Rs 350 Crores	-	350.00

The coupon rate for the above instruments is Nil (Previous year : 8.25 % per annum)

Other loans from Banks

Rs. in Crores

Particulars	Terms of Repayment	Principal oustanding as at March 31, 2022	Principal oustanding as at March 31, 2021
Short term loans from banks	Repayable on 10th March 2022	-	415.00

The coupon rate for the above instruments is Nil (Previous year :5 % per annum)

Nature of Security	Particulars	Terms of Repayment	Principal oustanding as at March 31, 2022	Principal oustanding as at March 31, 2021
First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	1,000 (Previous Year : NIL) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each	Redeemable at par on January 12,2023 for an amount of Rs 100 Crores.The interest is payable on redemption	100.00	-
First ranking pari passu charge in the nature of hypothecation over the Hypothecated Assets created under the Deed of Hypothecation	20 (Previous Year : NIL) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures of Rs.1,000,000 each of Rs.1,000,000 each	Redeemable at par on January 12,2023 for an amount of Rs 2 Crores.The interest is payable on redemption	2.00	-

22 **OTHER FINANCIAL LIABILITIES - CURRENT**

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
Unclaimed Dividend	16.43	20.68
Employee related liabilities	29.25	24.08
Capital Creditors	0.31	0.37
Derivative Financial Liability	-	0.64
Security Deposits Received	0.55	0.56
Other payables	1.81	9.32
TOTAL	48.35	55.65

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the current and previous year end.

23 **OTHER CURRENT LIABILITIES**

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
Advances from Customers	2.84	2.18
Statutory Dues	11.41	2.16
Deferred Revenue	50.62	55.44
TOTAL	64.87	59.78

During the current year ended March 31, 2022, the Company has recognized revenue of Rs 1.03 Crores (Previous Year: Rs 10.30 Crores) arising from opening advance from customers as of April 1, 2021.
Note: Deferred revenue pertains to facility fees income

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		As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
24	**CURRENT PROVISIONS**		
	Provision for Employee Benefits	13.20	12.17
	Provision For Litigations & Disputes	3.50	3.50
	TOTAL	16.70	15.67
25	**CURRENT TAX LIABILITIES (NET)**		
	Provision for Income Tax [Net of Advance tax of Rs.383.19 crores (Previous Year: Rs.390.57 crores)]	145.90	145.90
	TOTAL	145.90	145.90

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	Year Ended March 31, 2022 Rs. in Crores		Year Ended March 31, 2021 Rs. in Crores	
26 REVENUE FROM OPERATIONS				
A. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of products		1,053.89		535.30
B. INCOME OF FINANCING ACTIVITIES				
Income of financing activities:				
-Interest income on instruments measured at amortised cost	522.12		1,041.80	
-Facility Fees Income from group companies	55.44		92.72	
-Income on instruments mandatorily measured at FVTPL	369.60		125.41	
-Dividend income on instruments designated at FVTOCI	40.09		6.16	
-Others*	170.93		20.97	
		1,158.18		1,287.06
		2,212.07		1,822.36
Other operating revenues:				
-Miscellaneous Income		13.61		2.34
TOTAL		**2,225.68**		**1,824.70**

*Includes dividend received from group companies

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.

Disaggregate Revenue Information

The table below presents disaggregated revenues from contracts with customers by major product and timing of transfer of goods or services for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2022 and March 31, 2021:

Pharmaceuticals

Revenue by product line/ timing of transfer of goods/ services for continuing operations	**Year Ended March 31,2022**		**Year Ended March 31,2021**	
	At Point in time	**Over time**	**At Point in time**	**Over time**
Pharma	354.28	-	274.67	-
Over the counter products	699.61	-	260.63	-
Total	**1,053.89**	-	**535.30**	-

Reconciliation of revenue recognised with contract price for continuing operations		
Particulars		
Sale of products and services at transaction price	1,127.71	543.66
Less: Discounts	(73.82)	(8.36)
Revenue recognised on sale of products and services	**1,053.89**	**535.30**

	Year Ended March 31, 2022 Rs. in Crores		Year Ended March 31, 2021 Rs. in Crores	
27 OTHER INCOME				
Interest Income on Financial Assets (at amortized costs)		6.45		41.39
Dividend Income				
- On Non-current Equity Instruments in Subsidiaries/JVs/Associates*	282.73		-	
- On Current Investments at FVTPL	18.68	301.41	2.23	2.23
Other Gains & Losses:				
- Foreign Exchange Gain (Net)*		24.68		-
Income on instruments mandatorily measured at FVTPL		0.79		-
Profit on Sale of Investment (Net)		37.22		4.26
Provision written back		6.42		0.03
Profit on sale of fixed asset		2.12		-
Miscellaneous Income		88.41		47.85
TOTAL		**467.50**		**95.76**

* During the quarter ended March 31, 2022, Piramal Dutch IM Holdco B.V. ("Dutch IM"), a wholly owned subsidiary of the company has repurchased 2,00,00,000 shares held by the company, at a nominal value of EUR 1 per share aggregating to the total consideration of Rs. 167.32 crores.

Pursuant to the above, the company has earned foreign exchange gain of Rs. 23.83 crores. Further, the company has also received dividend of Rs. 242.80 crores from Dutch IM. These amounts have been grouped as part of 'Other Income'.

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	Year Ended March 31, 2022 Rs. in Crores		Year Ended March 31, 2021 Rs. in Crores	
28 COST OF MATERIALS CONSUMED				
Opening Inventory		15.68		17.23
Add: Purchases		307.96		331.19
Less: Closing Inventory		29.41		15.68
TOTAL		**294.23**		**332.74**
29 PURCHASES OF STOCK-IN-TRADE				
Traded Goods		774.39		159.52
TOTAL		**774.39**		**159.52**
30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
OPENING STOCKS :				
Work-in-Progress	13.14		16.92	
Finished Goods	24.77		14.83	
Stock-in-trade	47.16	85.07	-	31.75
CLOSING STOCKS :				
Work-in-Progress	29.99		13.14	
Finished Goods	26.45		24.77	
Stock-in-trade	125.09	181.53	47.16	85.07
TOTAL		**(96.46)**		**(53.32)**
31 EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages		108.26		99.91
Contribution to Provident and Other Funds (Refer Note 37)		4.53		5.12
Gratuity Expenses (Refer Note 37)		2.85		(3.25)
Staff Welfare		5.00		6.13
Corporate Expense Allocation pertaining to Pharma business transferred		-		(25.92)
TOTAL		**120.64**		**81.99**
32 FINANCE COSTS				
Finance Charge on financial liabilities measured at amortised cost		723.86		1,026.08
Other borrowing costs		37.30		42.69
TOTAL		**761.16**		**1,068.77**

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	Year Ended March 31, 2022 Rs. in Crores		Year Ended March 31, 2021 Rs. in Crores	
33 OTHER EXPENSES				
Processing Charges		0.95		0.38
Consumption of Stores and Spares Parts		3.18		2.79
Consumption of Laboratory materials		2.07		1.62
Power, Fuel and Water Charges		8.86		9.37
Repairs and Maintenance				
Buildings	5.14		9.41	
Plant and Machinery	5.41		4.20	
Others	0.20	10.75	0.08	13.68
Rent		9.60		4.13
Rates & Taxes		21.37		32.99
Insurance		4.49		4.03
Travelling Expenses		1.85		0.89
Directors' Commission		2.40		2.58
Directors' Sitting Fees		0.82		1.15
Provision for Diminution in value of Investments		0.00		64.45
Expected Credit Loss on Trade Receivables		3.06		1.78
Loss on Sale of Property Plant & Equipment (Net)		-		0.10
Advertisement and Business Promotion Expenses		2.64		-
Expenditure towards Corporate Social Responsibility activities		2.30		7.00
Donations		3.80		6.49
Freight		13.99		7.74
Export Expenses		-		0.52
Clearing and Forwarding Expenses		11.03		4.10
Communication and Postage		2.56		4.57
Printing and Stationery		0.52		0.37
Legal Charges		6.64		4.30
Exchange Loss (net)		-		30.82
Professional Charges		31.74		30.41
Royalty Expense		13.75		13.54
Information Technology Costs		2.09		8.63
R & D Expenses (net)		0.00		0.08
Provision for doubtful loans & advances		0.00		37.12
Miscellaneous Expenses		4.53		3.43
Corporate Expense Allocation pertaining to Pharma business transferred		-		(27.43)
TOTAL		**164.99**		**271.63**

Details in respect of Corporate Social Responsibility (CSR) Expenditure:
- Gross amount required to be spent during the year - Rs 2.30 crores (Previous Year - Rs 6.21 crores)
- Amount spent during the year on revenue expenditure Rs 2.30 crores (Previous Year - Rs 7.00 crores)
- Amount spent during the year on Capital expenditure - Nil (Previous Year - Nil)
- **Nature of CSR activities (FY 21-22)**

  Education sector (State Transformation Program) - Rs. 1.15 crores
  Education Sector (District Transformation Program) - Rs. 1.15 crores
- **Nature of CSR activities (FY 20-21)**

  Education sector (School Leadership development program) - 2.45 crores
  Education Sector (District Transformation Program) - Rs. 1.12 crores
  Health Sector - Tribal Healthcare Model - Rs. 3.43 crores
  Details of Related party transactions - Nil

	Year Ended March 31, 2022	Year Ended March 31, 2021
34 EXCEPTIONAL ITEM		
Transaction cost (Refer note 53(a))	(10.20)	(258.35)
TOTAL	**(10.20)**	**(258.35)**
35 OTHER COMPREHENSIVE INCOME / (LOSS) (NET OF TAXES)		
Fair Valuation of Equity Investments	28.45	373.77
Remeasurement of post-employment benefit obligations	(0.31)	(3.24)
Deferred gains / (losses) on cash flow hedge	-	10.02
TOTAL	**28.14**	**380.55**

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	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
36 Contingent Liabilities and Commitments		
A Contingent Liabilities :		
1 Claims against the Company not acknowledged as debt:		
Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
2 Others		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	273.91	163.67
- where the Department is in appeal	369.29	368.55
Sales Tax	14.86	15.56
Central / State Excise / Service Tax / Custom	62.11	56.33
Stamp Duty	9.37	-
Legal Cases	3.88	0.21
B Commitments :		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	0.30	3.87
b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	1.14	1.42

Refer note 47 a in case of loan commitments

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37 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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Defined Contribution plans:
The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is 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 gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

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

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.

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

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

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

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

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

The gratuity plan is a funded plan and the Company makes contributions to trust administered by the Company. The Company 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 Company. 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 Company 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 Company 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.

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

(Rs. in Crores)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Employer's contribution to Regional Provident Fund Office	-	0.86
Employer's contribution to Superannuation Fund	0.08	0.17
Employer's contribution to Employees' State Insurance	0.08	0.34
Employer's contribution to Employees' Pension Scheme 1995	0.50	3.03
Employer's contribution to National Pension Scheme	0.20	0.41

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 31 and 33)

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37 Employee Benefits (continued) :

II. Disclosures for defined benefit plans based on actuarial valuation reports:

A. Change in Defined Benefit Obligation

(Rs. in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at beginning of the year	20.83	67.89	299.43	270.77
Interest Cost	1.35	2.52	20.76	22.82
Current Service Cost	0.79	2.01	3.68	7.26
Past Contributions from employer	0.72	-	-	-
Contributions from plan participants	-	-	5.79	13.71
Liability Transferred In for Employees Joined	-	-	2.09	13.19
Liability Transferred Out for Employees left / Transferred	-	(46.63)	-	-
Benefit Paid Directly by the Employer	(1.46)	-	-	-
Benefits Paid from the fund	(0.54)	(7.83)	(146.00)	(28.32)
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(0.00)	(0.05)	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	(0.02)	0.04	-	-
Actuarial (Gains)/loss - due to experience adjustments	0.25	2.88	-	-
Other acturial adjustments	-	-	8.61	-
Present Value of Defined Benefit Obligation as at the end of the year	**21.92**	**20.83**	**194.36**	**299.43**

B. Changes in the Fair Value of Plan Assets

(Rs. in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Fair Value of Plan Assets as at beginning of the year	0.73	23.01	299.43	270.77
Interest Income	0.05	1.51	20.76	22.83
Contributions from employer		31.01	9.47	20.96
Contributions from plan participants	-	-	-	-
Assets Transferred In for Employees joined	-	-	2.09	13.19
Assets Transferred out for Employees left / Transferred		(46.63)	-	-
Benefits Paid from the fund	(0.54)	(7.83)	(146.00)	(28.32)
Return on Plan Assets, Excluding Interest Income	(0.02)	(0.34)	(1.43)	-
Other acturial adjustments	-	-	10.04	-
Fair Value of Plan Assets as at the end of the year	**0.22**	**0.73**	**194.36**	**299.43**

C. Amount recognised in the Balance Sheet

(Rs. in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at the end of the year	21.92	20.83	194.36	299.43
Fair Value of Plan Assets as at end of the year	0.22	0.73	194.36	299.43
Net Liability recognised in the Balance Sheet (Refer Note 19)	**21.70**	**20.10**	-	-
Recognised under:				
Non Current provision (Refer Note 19)	**20.65**	**20.10**	-	-
Current provision (Refer Note 24)	**1.05**	-	-	-

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

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

D. Expenses recognised in Statement of Profit and Loss

(Rs. in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Current Service Cost	0.79	2.01	3.68	7.26
Past Service Cost	0.72	-	-	-
Net interest Cost	1.30	1.01	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**2.81**	**3.02**	**3.68**	**7.26**

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 31 and 33)

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

(Rs. in Crores)

Particulars	Gratuity	
	Year ended March 31,	
	2022	2021
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in demographic assumptions	(0.00)	(0.05)
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in financial assumptions	(0.02)	0.04
Actuarial (Gains)/Losses on Obligation for the Period - Due to experience adjustment	0.25	2.88
Return on Plan Assets, Excluding Interest Income	0.02	0.34
Net (Income)/Expense for the Year Recognized in OCI	**0.25**	**3.21**

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F. Significant Actuarial Assumptions:

(%)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Discount Rate (per annum)	6.84	6.49	6.84	6.49
Expected Rate of return on Plan Assets (per annum)	6.84	6.49	6.84	6.49
Salary escalation rate	9% for 3 years then 6%	9% for 3 years then 6%	N.A	N.A

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 government 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 Company. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

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

(Rs. in Crores)

Particulars	Gratuity	
	As at March 31,	
	2022	2021
Opening Net Liability	20.10	44.88
Expenses Recognized in Statement of Profit or Loss	2.80	3.02
Expenses Recognized in OCI	0.25	3.21
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
Benefit Paid Directly by the Employer	(1.46)	-
Employer's Contribution	-	(31.01)
Net Liability/(Asset) Recognized in the Balance Sheet	**21.69**	**20.10**

H. Category of Assets

(Rs. in Crores)

Particulars	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Government of India Assets (Central & State)	-	0.34	79.53	129.72
Cash and Cash Equivalents	0.09		0.41	
Public Sector Unit Bonds	-	-		21.06
Corporate Bonds	-	0.19	74.75	94.47
Fixed Deposits under Special Deposit Schemes of Central Government*	-	0.04	16.97	28.59
Insurance fund	0.12	-		-
Equity Shares of Listed Entities / Mutual Funds	-	0.06	14.07	22.31
Others*	-	0.08	8.64	3.28
Total	**0.21**	**0.71**	**194.37**	**299.43**

* Except these, all the other investments are quoted.

I. Other Details

Particulars	Gratuity	
	As at March 31,	
	2022	2021
No of Active Members	374	341
Per Month Salary For Active Members (Rs. in Crores)	2.84	2.57
Average Expected Future Service (Years)	7.00	7.00
Projected Benefit Obligation (PBO) (Rs. in Crores)	21.91	20.83
Prescribed Contribution For Next Year (12 Months) (Rs. in Crores)	**2.84**	**2.57**

J. Cash Flow Projection: From the Fund

(Rs. in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	Estimated for the year ended March 31,	
	2022	2021
1st Following Year	13.41	12.88
2nd Following Year	0.79	0.87
3rd Following Year	1.62	0.71
4th Following Year	0.79	1.23
5th Following Year	0.85	0.69
Sum of Years 6 To 10	4.39	3.78

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

In case of certain employees, 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 7 years (Previous year: 7 years)

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K. Sensitivity Analysis

Projected Benefit Obligation	(Rs. in Crores)	
	Gratuity	
	As at March 31,	
	2022	2021
Impact of +1% Change in Rate of Discounting	(0.52)	(0.74)
Impact of -1% Change in Rate of Discounting	(1.76)	0.60
Impact of +1% Change in Rate of Salary Increase	0.23	0.59
Impact of -1% Change in Rate of Salary Increase	(0.53)	(0.54)
Impact of +1% Change in Rate of Employee Turnover	0.01	(0.00)
Impact of -1% Change in Rate of Employee Turnover	(0.01)	0.00

The above sensitivity analysis 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 Leave Encashment (Non – Funded) as at year end is Rs. 12.10 Crores (Previous year Rs. 12.10 Crores).

The liability for Long term Service Awards (Non – Funded) as at year end is Rs. 0.26 Crores (Previous year Rs. 0.26 Crores).

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38 Related Party Disclosures

1. List of related parties

A. Controlling Entities

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

@There are no transactions during the year.
*during the financial year 20-21 it became non promoter- non public.

B. Subsidiaries

The Subsidiary companies including step down subsidiaries :

Name of the Company	Principal Place of Business	Proportion of Effective Ownership interest held as at March 31, 2022
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Critical Care Italia, S.P.A**	Italy	80%
Piramal Critical Care Deutschland GmbH**	Germany	80%
Piramal Critical Care Limited **	U.K.	80%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	80%
Piramal Critical Care B.V. **	Netherlands	80%
Piramal Pharma Solutions (Dutch) B.V. **	Netherlands	80%
Piramal Critical Care Pty. Ltd. **	Australia	80%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	80%
Piramal Healthcare Pension Trustees Limited**	U.K.	80%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	80%
Piramal Dutch Holdings N.V. @@	Netherlands	80%
Piramal Healthcare Inc. **	U.S.A	80%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	80%
Piramal Pharma Inc.**	U.S.A	80%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	80%
PEL Pharma Inc **	U.S.A	80%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	80%
PEL Healthcare LLC (w.e.f. June 26, 2020) **	U.S.A	80%
Piramal Dutch IM Holdco B.V.	Netherlands	100%
PEL-DRG Dutch Holdco B.V. $	Netherlands	100%
Piramal Capital and Housing Finance Limited (Refer note 56)	India	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Hemmo Pharmaceuticals (w.e.f. 22nd June 2021)	India	100%
Piramal Asset Management Private Limited	India	100%
Piramal Investment Advisory Services Private Limited (PIASPL)	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. $$	Mauritius	100%
Piramal Asset Management Private Limited $$	Singapore	100%
Piramal Capital International Limited $$	Mauritius	100%
Piramal Securities Limited	India	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited ***	India	100%
Piramal Pharma Limited (w.e.f. March 04, 2020) ^	India	80%
Piramal Finance Sales & Services Pvt. Ltd. (w.e.f. September 9, 2020) ****	India	100%
Virdis Power Investment Managers Private Ltd. (w.e.f. October 17, 2020)	India	100%
Virdis Infrastructure Investment Managers Private Ltd. (w.e.f October 22, 2020)	India	100%
Convergence Chemicals Private Ltd. (subsidiary w.e.f. February 24, 2021 and joint venture upto February 23, 2021) @@	India	80%
Piramal Pharma Japan GK (w.e.f 5th Nov 2021)**	India	100%
DHFL Advisory and Investment Private Limited (w.e.f. September 30, 2021)	India	100%
DHFL Holdings Limited (w.e.f September 30, 2021)	India	100%
DHFL Investments Limited (w.e.f. September 30, 2021)	India	100%
DHFL Ventures Trustee Company Private Limited	India	100%

Name of the Company	Principal Place of Business	Proportion of Effective Ownership interest held as at March 31, 2021
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Critical Care Italia, S.P.A**	Italy	80%
Piramal Critical Care Deutschland GmbH**	Germany	80%
Piramal Critical Care Limited **	U.K.	80%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	80%
Piramal Critical Care B.V. **	Netherlands	80%
Piramal Pharma Solutions (Dutch) B.V. **	Netherlands	80%
Piramal Critical Care Pty. Ltd. **	Australia	80%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	80%
Piramal Healthcare Pension Trustees Limited**	U.K.	80%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	80%
Piramal Dutch Holdings N.V. @@	Netherlands	80%
Piramal Healthcare Inc. **	U.S.A	80%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	80%
Piramal Pharma Inc.**	U.S.A	80%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	80%
PEL Pharma Inc.**	U.S.A	80%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	80%
PEL Healthcare LLC (w.e.f. June 26, 2020) **	U.S.A	80%
Piramal Dutch IM Holdco B.V.	Netherlands	100%
PEL-DRG Dutch Holdco B.V. $	Netherlands	100%
Piramal Capital and Housing Finance Limited	India	100%

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Name of the Company	Principal Place of Business	Proportion of Effective Ownership interest held as at March 31, 2021
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Piramal Asset Management Private Limited	India	100%
Piramal Investment Advisory Services Private Limited (PIASPL)	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. $$	Mauritius	100%
Piramal Asset Management Private Limited $$	Singapore	100%
Piramal Capital International Limited $$	Mauritius	100%
Piramal Securities Limited	India	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited ***	India	100%
Piramal Pharma Limited (w.e.f. March 04, 2020) ^	India	80%
Piramal Finance Sales & Services Pvt. Ltd. (w.e.f. September 9, 2020) ****	India	100%
Virdis Power Investment Managers Private Ltd. (w.e.f. October 17, 2020)	India	100%
Virdis Infrastructure Investment Managers Private Ltd. (w.e.f October 22, 2020)	India	100%
Convergence Chemicals Private Ltd. (subsidiary w.e.f. February 24, 2021 and joint venture upto February 23, 2021) @@	India	80%

** held through Piramal Dutch Holdings N.V.

**** held through PHL Finvest Private Ltd.
@ held through Piramal Systems & Technologies Private Limited
$ held through Piramal Dutch IM Holdco B.V.
$$ held through Piramal Fund Management Private Limited
@@ held through Piramal Pharma Ltd.

^ Note on common control transaction with subsidiaries

During the previous year, the Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceutical business, ('Pharma Business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, a subsidiary of the Company ('PPL').

This transaction was completed on October 6th, 2020 on receipt of requisite approvals. The consideration received by the Company from PPL is Rs. 4,487 crores and the excess of such consideration over the net assets, net of tax, has been transferred to capital reserve, the transaction being a common control transaction under IND AS 103 " Business Combinations"

Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued operations as part of the results.

C. Associates and Joint Ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2022	% voting power held as at March 31, 2021	Relationship as at March 31, 2022	Relationship as at March 31, 2021
Shrilekha Business Consultancy Private Limited (Shrilekha Business Consultancy)	India	74.95%	74.95%	Joint Venture	Joint Venture
Shriram Capital Limited (Shriram Capital) (mainly through Shrilekha Business Consultancy Private Limited)	India	20.00%	20.00%	Associate	Associate
Allergan India Private Limited (Allergan)	India	39.20%	39.20%	Associate	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (IRAPL)	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) (IRAMBPL)	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 (w.e.f May 03, 2019)	India	50.00%	50.00%	Joint Venture	Joint Venture
Piramal Ivanhoe Residential Equity Fund 1 (Investment redeemed w.e.f. 27th December 2021)	India	0.00%	50.00%	Joint Venture	Joint Venture
Asset Resurgence Mauritius Manager	Mauritius	50.00%	50.00%	Joint Venture	Joint Venture
Yapan Bio Private Limited (w.e.f. 20th December 2021)	India	22.30%	NA	Associate	NA
Piramal Structured Credit Opportunities Fund (w.e.f. Feb 26, 2020) (PSCOF)	India	25.00%	25.00%	Joint Venture	Joint Venture
Pramerica Life Insurance Limited	India	50%	-		

Other Intermediaries:
Shriram City Union Finance Limited (Shriram City Union)

D. Other related parties

Entities controlled by Key Management Personnel :
- Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)*
- Gopikrishna Piramal Memorial Hospital (GPMH)*
- Piramal Corporate Services Limited (PCSL)*
- Piramal Glass Limited (PGL) (Ceased to be RPT from 30th March 2021)
- PRL Developers Private Limited (PRL)
- PRL Agastya Private Limited
- Piramal Estates Private Limited
- Glider Buildcon Realtors Private Limited
- Ansa Deco Glass Private Limited (till March 30, 2021)
- Piramal Glass Ceylon Limited (ceased to be RPT from 30th March 2021)

*where there are transactions during the current or previous year

Employee Benefit Trusts :
Staff Provident Fund of Piramal Healthcare Limited (PPFT)

E. Key Management Personnel
Mr. Ajay G. Piramal
Dr. (Mrs.) Swati A. Piramal
Ms. Nandini Piramal
Mr. Rajesh Laddha (Resigned w.e.f. February 10th, 2022)
Mr. Khushru Jijina (appointed w.e.f. 01st April 2021)

F. Relatives of Key Management Personnel
Mr. Anand Piramal [Son of Mr Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal] [Non-Executive Director]
Mr. Peter DeYoung [Husband of Ms. Nandini Piramal]

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Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the Year Ended March 31, 2022

G. Non Executive/Independent Directors

Dr. R.A. Mashelkar (Resigned w.e.f. October 28, 2020)
Mr. Gautam Bnaerjee (Resigned w.e.f. 31st March 2022)
Mr. Goverdhan Mehta (Resigned w.e.f. October 28, 2020)
Mr. Vijay Shah (resigned from being a Whole-Time Director and continued as Non-Executive non-independent director of the Company w.e.f. May 11, 2020)
Mr. N. Vaghul
Mr. S. Ramadorai
Mr. Deepak Satwalekar (resigned w.e.f. 26th July 2021)
Mr. Keki Dadiseth (Resigned w.e.f. October 28, 2020)
Mr. Siddhath N Mehta (Resigned w.e.f. February 04, 2020)
Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018 and resigned w.e.f. April 16, 2020)
Mr. Kunal Bahl (appointed w.e.f. October 14, 2020)
Mr. Suhail Nathani (appointed w.e.f. October 14, 2020)
Ms. Anjali Bansal (appointed w.e.f. November 19, 2020)
Mr. Puneet Dalmia (appointed w.e.f. 7th October, 2021)
Ms. Anita George (appointed w.e.f. 10th February, 2022)
Ms. Shikha Sharma (appointed w.e.f. 31st March, 2022)

DELOITTE HASKINS & SELLS LLP
MUMBAI

Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

2. Details of transactions with related parties.

(Rs. in Crores)

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its subsidiaries		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Purchase of Goods										
- Piramal Glass Limited	-	-	-	-	-	-		2.23	-	2.23
- Piramal Critical Care Inc		14.61	-	-	-	-	-	-	-	14.61
- Piramal Pharma Limited	925.96	373.27	-	-	-	-	-	-	925.96	373.27
- Others	-	-	-	-	-	-	-		-	-
TOTAL	**925.96**	**387.88**	**-**	**-**	**-**	**-**	**-**	**2.23**	**925.96**	**390.11**
Sale of Goods										
- Allergan	-	-	-	-		26.97	-	-	-	26.97
- Piramal Pharma Limited	-	49.80							-	49.80
- Piramal Healthcare UK	-	7.31	-	-	-	-	-	-	-	7.31
- Piramal Critical Care Inc	-	52.83	-	-	-	-	-	-	-	52.83
- Piramal Healthcare, Canada	-	2.28	-	-	-	-	-	-	-	2.28
- Piramal Critical Care Limited	-	1.90	-	-	-	-	-	-	-	1.90
- Piramal Critical Care BV	-	10.47	-	-	-	-	-	-	-	10.47
- Ash Stevens	-	-	-	-	-	-	-	-	-	-
- Convergence	-	-		1.23					-	1.23
- Others	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**124.59**	**-**	**1.23**	**-**	**26.97**	**-**	**-**	**-**	**152.79**
Rendering of Services										
- Allergan	-	-	-	-	-			-	-	-
- Piramal Healthcare UK		1.29	-	-	-	-	-	-	-	1.29
- Piramal Pharma Limited	56.87	24.90	-	-	-	-	-	-	56.87	24.90
- Piramal Critical Care Inc	-	-	-	-	-	-	-	-	-	-
- Piramal Glass Limited	-	-	-	-	-	-	-	0.98	-	0.98
- Ash Stevens	-		-	-	-	-	-	-	-	-
TOTAL	**56.87**	**26.19**	**-**	**-**	**-**	**-**	**-**	**0.98**	**56.87**	**27.17**
Guarantee commission income										
- Piramal Healthcare UK		0.32	-	-	-	-	-	-	-	0.32
- PHL Fininvest	1.87	10.78	-	-	-	-	-	-	1.87	10.78
- Piramal Dutch Holdings N.V.	2.61	1.92	-	-	-	-	-	-	2.61	1.92
- Piramal Healthcare, Canada		-	-	-	-	-	-	-	-	-
- DRG Holdco Inc.		-	-	-	-	-	-	-	-	-
- PEL Pharma Inc.	1.49	1.10	-	-	-	-	-	-	1.49	1.10
- Piramal Critical Care Limited	4.34	1.86	-	-	-	-	-	-	4.34	1.86
- Convergence	0.03	0.04		0.15	-	-	-	-	0.03	0.19
- Others	-	-	-	-	-	-	-	-	-	-
TOTAL	**10.34**	**16.02**	**-**	**0.15**	**-**	**-**	**-**	**-**	**10.35**	**16.17**
Deemed capital contribution (Financial Guarantee)										
- Piramal Capital and Housing Finance		3.77	-	-	-	-	-	-	-	3.77
TOTAL	**-**	**3.77**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.77**
Receiving of Services										
- Piramal Pharma Inc		2.51	-	-	-	-	-	-	-	2.51
- Ash Stevens Inc		10.88							-	10.88
- Piramal Healthcare UK		7.63	-	-	-	-	-	-	-	7.63
- PRL Agastya Private Limited		-						6.00	-	6.00
TOTAL	**-**	**21.02**	**-**	**-**	**-**	**-**	**-**	**6.00**	**-**	**27.02**

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

2. Details of transactions with related parties.

Details of Transactions	Subsidiaries		Joint Ventures		Associates & its Susidiaries		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Royalty Expense										
- PCSL	-	-	-	-	-	-	12.59	18.30	12.59	18.30
TOTAL	-	-	-	-	-	-	12.59	18.30	12.59	18.30
Rent Expense										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	11.04	10.63	11.04	10.63
- Gopikrishna Piramal Memorial Hospital	-	-	-	-	-	-	0.84	1.01	0.84	1.01
TOTAL	-	-	-	-	-	-	11.88	11.64	11.88	11.64
Rent Income										
- Piramal Capital and Housing Finance	-		-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses recovered										
- Piramal Critical Care Inc	0.63	0.42	-	-	-	-		-	0.63	0.42
- Piramal Healthcare UK	0.45	0.46	-	-	-	-		-	0.45	0.46
- Piramal Capital and Housing Finance	0.56	0.15	-	-	-	-		-	0.56	0.15
- Piramal Healthcare, Canada	0.13	0.12	-	-	-	-		-	0.13	0.12
- Piramal Pharma Limited	81.03	43.70	-	-	-	-		-	81.03	43.70
- India Resurgence Asset Management Business Private Limited		-	-	0.31	-	-		-	-	0.31
- Piramal Consumer	0.07	-		-	-	-		-	0.07	-
- PRL Developers		-		-	-	-		0.06	-	0.06
- Ansa Decoglass Private Limited		-		-	-	-		0.07	-	0.07
- Glider Buildcon Realtors Private Limited		-		-	-	-		0.11	-	0.11
- Piramal Critical Care UK Limited	0.13	0.18		-	-	-		-	0.13	0.18
- Piramal Glass Limited		-		-	-	-		0.07	-	0.07
- Convergence	0.01	0.02		0.02	-	-		-	0.01	0.04
- Piramal Fund	0.05	0.05	-	-	-	-		-	0.05	0.05
- PRL Agastya Private Limited		-	-	-	-	-		0.01	-	0.01
- PHL Fininvest	0.15	0.15	-	-	-	-		-	0.15	0.15
- Piramal Pharma Solutions	0.10	0.07	-	-	-	-		-	0.10	0.07
- Piramal Healthcare LLC	0.07	3.44	-	-	-	-		-	0.07	3.44
- Piramal Estates		-	-	-	-	-		0.05	-	0.05
- Hemmo Pharmaceauticals	0.08	-							0.08	-
- Others	0.32	0.35	-	-	-	-		-	0.32	0.35
TOTAL	83.78	49.11	-	0.33	-	-	-	0.37	83.79	49.81
Reimbursement of expenses paid										
- Piramal Critical Care Inc	-	0.61	-	-	-	-	-	-	-	0.61
- Piramal Healthcare UK	-	0.33	-	-	-	-	-	-	-	0.33
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	0.43	0.16	0.43	0.16
- Ash Stevens	-	0.18	-	-	-	-	-	-	-	0.18
- Piramal Dutch Holdings N.V.	-	0.23	-	-	-	-	-	-	-	0.23
- PEL Pharma Inc.	-	0.04	-	-	-	-	-	-	-	0.04
- Piramal Healthcare, Canada	-	0.33	-	-	-	-	-	-	-	0.33
- Piramal Critical Care UK Limited	-	0.18	-	-	-	-	-	-	-	0.18
- Piramal Critical Care BV	-	0.14	-	-	-	-	-	-	-	0.14
- Gopikrishna Piramal Memorial	0.03	-							0.03	-
- Others	-	0.37	-	-	-	-	-	-	-	0.37
TOTAL	0.03	2.41	-	-	-	-	0.43	0.16	0.46	2.57

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

2. Details of transactions with related parties.

Details of Transactions	Subsidiaries		Joint Ventures		Associates & Intermediates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Contribution to Funds										
- PPFT	-	-	-	-	-	-	9.47	19.77	9.47	19.77
TOTAL	-	-	-	-	-	-	**9.47**	**19.77**	**9.47**	**19.77**
Dividend Income/Distribution	-									
- Piramal Pharma Limited	39.94	-	-	-	-	-	-	-	39.94	-
- Allergan	-	-	-	-	-	75.54	-	-	-	75.54
- India Resurgence Fund - Scheme 2	-	-		20.76	-	-	-	-	-	20.76
- Piramal Dutch IM Holdco B.V.	-	-	-	-	242.00	-	-		242.00	-
- Shrilekha Business Consultancy	-	-	-	-	58.80	-	-		58.80	-
- Shriram City Union	-	-	-	-	39.96	6.16	-	-	39.96	6.16
- PIOF	-	0.14	-	-	-	-	-	-	-	0.14
TOTAL	**39.94**	**0.14**	-	**20.76**	**340.76**	**81.70**	-	-	**380.71**	**102.60**
Finance granted /(repayments) - Net (including loans and Equity contribution / Investments in cash or in kind)										
- Piramal Dutch Holdings	-	(543.37)		-	-	-	-	-	-	(543.37)
- DRG Holdco		-		-	-	-	-	-	-	-
- Piramal Dutch IM Holdco B.V.	(143.49)	(1,461.96)		-	-	-	-	-	(143.49)	(1,461.96)
- Convergence		-		(6.00)	-	-	-	-	-	(6.00)
- Piramal Fund	(59.65)	(164.51)		-	-	-	-	-	(59.65)	(164.51)
- Piramal Capital and Housing Finance (refer note below)		1,066.00		-	-	-	-	-	-	1,066.00
- PHL Fininvest	(875.00)	(2,925.65)		-	-	-	-	-	(875.00)	(2,925.65)
- India Resurgence Asset Management Business Private Limited		-		(7.53)	-	-	-	-	-	(7.53)
- IRAPL		-		-	-	-	-	-	-	-
- Piramal Ivanhoe Residential Equity Fund 1		-		-	-	-	-	-	-	-
- India Resurgence Fund - Scheme 2		-	66.57	(17.03)	-	-	-	-	66.57	(17.03)
- Piramal Investment Advisory Services	(300.00)	52.10		-	-	-	-	-	(300.00)	52.10
- Piramal Systems and Technologies private limited*	(13.16)								(13.16)	-
- Others	0.43	10.16		-	-	-	-	-	0.43	10.16
TOTAL	**(1,390.87)**	**(3,967.23)**	**66.57**	**(30.56)**	-	-	-	-	**(1,324.30)**	**(3,997.79)**

MUMBAI

DELOITTE HASKINS & SELLS LLP

Piramal Enterprises Limited

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

2. Details of transactions with related parties.

Details of Transactions	Subsidiaries		Joint Ventures		Associates & Intermediates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Processing fees charged on debentures										
- Piramal Finance	4.81	42.08	-	-	-	-	-	-	4.81	42.08
- PHL Fininvest	50.63	50.64	-	-	-	-	-	-	50.63	50.64
TOTAL	**55.44**	**92.72**	-	-	-	-	-	-	**55.44**	**92.72**
Interest Received on Loans/Investments										
- Piramal Pharma Limited		0.07	-	-	-	-	-	-	-	0.07
- Convergence		-		1.10	-	-	-	-	-	1.10
- Piramal Fund	8.16	11.06	-	-	-	-	-	-	8.16	11.06
- PHL Fininvest	271.37	607.73	-	-	-	-	-	-	271.37	607.73
- Piramal Dutch Holdings N.V.		9.06	-	-	-	-	-	-	-	9.06
- Piramal Dutch IM Holdco B.V.		24.21	-	-	-	-	-	-	-	24.21
- Piramal Capital and Housing Finance	193.29	170.44	-	-	-	-	-	-	193.29	170.44
- PEL Pharma Inc		1.74	-	-	-	-	-	-	-	1.74
- PEL Finhold	1.76	76.69							1.76	76.69
- Others	3.32	4.43	-	-	-	-	-	-	3.32	4.43
TOTAL	**477.89**	**905.43**	-	**1.10**	-	-	-	-	**477.89**	**906.53**
Interest Income on debentures / commercial paper										
- Piramal Capital and Housing Finance	20.15	26.06							20.15	26.06
- Piramal System	2.07	2.16	-	-	-	-	-	-	2.07	2.16
TOTAL	**22.22**	**28.22**	-	-	-	-	-	-	**22.22**	**28.22**
Interest Expense on loans										
- Piramal Capital and Housing Finance		5.70	-	-	-	-	-	-	-	5.70
TOTAL	-	**5.70**	-	-	-	-	-	-	-	**5.70**
Interest Expense on debentures										
- Piramal Capital and Housing Finance	-	-	-	-	-	-	-	-	-	-
- PHL Fininvest	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-

Interest rates charged to subsidiaries are made at market rates comparable with prevailing rates in the respective geographies. All other transactions were made on normal commercial terms and conditions and at market rates.
'During the year ended March 31, 2022, the Company transferred certain financial assets of Nil (Previous Year : Rs. 388.42 crores) to Piramal Capital and Housing Finance Limited for an aggregate consideration of Nil (Previous Year: Rs. 388.42 crores). Accordingly the financial statements for the year ended March 31, 2022 are not comparable with the financial statements of the previous year.

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PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

Compensation of key managerial personnel and its relatives
The remuneration of directors and other members of key managerial personnel and its relatives during the year was as follows:

(Rs. in crores)

Particulars	2022	2021
Short-term employee benefits	21.65	15.92
Post-employment benefits	2.41	1.59
Other long-term benefits	0.03	0.15
Commission and other benefits to non-executive/independent directors	3.22	3.73
Total	**27.31**	**21.39**

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

3. Balances of related parties.

Rs. in Crores

Account Balances	Subsidiaries		Joint Ventures		Associates & its Susidiaries		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Loans to related parties - Unsecured (at amortised cost)										
- Piramal Fund	29.70	89.35	-	-	-	-	-	-	29.70	89.35
- Piramal Capital and Housing Finance	2,666.00	2,666.00	-	-	-	-	-	-	2,666.00	2,666.00
- PHL Fininvest	2,873.64	3,748.64	-	-	-	-	-	-	2,873.64	3,748.64
- Piramal Investment Advisory Services		300.00	-	-	-	-	-	-	-	300.00
- Others**	15.40	10.70	-	-	-	-	-	-	15.40	10.70
TOTAL	**5,584.74**	**6,814.69**	-	-	-	-	-	-	**5,584.74**	**6,814.69**

**Previous year includes amount receivable from Piramal Systems, Net of provision for doubtful Loans of Rs. 14.22 crores pertaining to Piramal Systems

Interest receivable on loans to related parties										
- Piramal Fund	0.08	-	-	-	-	-	-	-	0.08	-
- Piramal Investment Advisory Services	-	0.16	-	-	-	-	-	-	-	0.16
TOTAL	**0.08**	**0.16**	-	-	-	-	-	-	**0.08**	**0.16**
Current Account balances with related parties										
- Piramal Healthcare UK	-	0.60	-	-	-	-	-	-	-	0.60
- Piramal Pharma Limited (Including consideration receivable)	51.55	655.37	-	-	-	-	-	-	51.55	655.37
- India Resurgence Asset Management Business Private Limited	-	-	0.36	0.36	-	-	-	-	0.36	0.36
- Piramal Dutch Holdings N.V.	-	(0.23)	-	-	-	-	-	-	-	(0.23)
- Piramal Capital and Housing Finance	3.66	0.17	-	-	-	-	-	-	3.66	0.17
- Piramal Healthcare, Canada	-	0.12	-	-	-	-	-	-	-	0.12
- Piramal Pharma Solutions	-	(0.15)	-	-	-	-	-	-	-	(0.15)
- Ash Stevens	0.14	0.00	-	-	-	-	-	-	0.14	0.00
- Piramal Glass Limited	-	-	-	-	-	-	-	0.45	-	0.45
- PRL Developers Pvt Ltd	-	-	-	-	-	-	0.10	0.29	0.10	0.29
- Glider Buildcon Realtors Private Limited	-	-	-	-	-	-	0.13	0.30	0.13	0.30
- Piramal Critical care UK Limited	(0.18)	(0.18)	-	-	-	-	-	-	(0.18)	(0.18)
- Piramal Critical Care Inc	-	(0.18)	-	-	-	-	-	-	-	(0.18)
- PEL Healthcare LLC	3.51	3.44	-	-	-	-	-	-	3.51	3.44
- Piramal critical care pty	(0.00)				-	-	-	-	(0.00)	-
- Others	-	(0.15)	-	-	-	-	-	0.11	-	(0.04)
TOTAL	**58.68**	**658.81**	**0.36**	**0.36**	-	-	**0.23**	**1.15**	**59.27**	**660.33**

PIRAMAL ENTERPRISES LIMITED
Notes to financial statements for the year ended March 31, 2022

Account Balances	Subsidiaries		Joint Ventures		Associates and intermediates		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Income Receivable										
- PIOF	0.07	0.05	-	-	-	-	-	-	0.07	0.05
TOTAL	**0.07**	**0.05**	-	-	-	-	-	-	**0.07**	**0.05**
Trade Receivables										
- Piramal Pharma Limited	-	25.32	-	-		-		-	-	25.32
- PRL Agastya Private Limited	-	-	-	-		-		0.03	-	0.03
- Allergan	-	-	-	-		0.19		-	-	0.19
- Piramal Healthcare UK Limited	0.46								0.46	-
- Others	0.08	-	-	-		-			0.08	-
TOTAL	**0.54**	**25.32**	-	-	-	**0.19**	-	**0.03**	**0.54**	**25.54**
Unbilled Revenue										
- Piramal Healthcare UK	-	14.08	-	-	-	-	-	-	-	14.08
- Piramal Critical Care Inc	-	9.44	-	-	-	-	-	-	-	9.44
TOTAL	-	**23.52**	-	-	-	-	-	-	-	**23.52**
Deferred Income										
- Piramal Capital and Housing Finance	-	4.81	-	-	-	-	-	-	-	4.81
- PHL Fininvest	86.31	136.94	-	-	-	-	-	-	86.31	136.94
TOTAL	**86.31**	**141.75**	-	-	-	-	-	-	**86.31**	**141.75**
Advance to Vendor										
- Piramal Fund Management Private Limited	-	0.28	-	-	-	-	-	-	-	0.28
-Piramal Glass Limited	-	-	-	-	-	-	0.09	1.72	0.09	1.72
TOTAL	-	**0.28**	-	-	-	-	**0.09**	**1.72**	**0.09**	**2.00**
Long-Term Financial Assets										
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	7.28	7.28	7.28	7.28
TOTAL	-	-	-	-	-	-	**7.28**	**7.28**	**7.28**	**7.28**
Trade Payable										
- Piramal Pharma Limited	328.81	214.88	-	-	-	-	-	-	328.81	214.88
- Piramal Pharma Inc.	0.04	-	-	-	-	-	-	-	0.04	-
- Piramal Healthcare UK	-	0.14	-	-	-	-	-	-	-	0.14
- Piramal Critical Care Inc	-	-	-	-	-	-	-	-	-	-
- Piramal Corporate services Private Limited	-	-	-	-	-	-	7.27	0.42	7.27	0.42
- Piramal Glass Limited	-	-	-	-	-	-	-	-	-	-
- Piramal Pharma Solutions Inc	-	-	-	-	-	-	-	-	-	-
- Piramal Capital and Housing Finance	-	-	-	-	-	-	-	-	-	-
- Gopikrishna Piramal Memorial Hospital (GPMH)	-	-					0.16	-	0.16	-
- Piramal Critical Care Deutschland GmbH	0.08	-	-	-	-	-	-	-	0.08	-
- Others	0.23	-	-	-	-	-	-	-	0.23	-
TOTAL	**329.16**	**215.02**	-	-	-	-	**7.43**	**0.42**	**336.59**	**215.44**

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Account Balances	Subsidiaries		Joint Ventures		Associates and Intermediates		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Guarantee Commission Receivable / (Payable)										
- Piramal Healthcare UK	-	0.02	-	-	-	-	-	-	-	0.02
- Piramal Healthcare Inc.	(0.13)	(0.13)	-	-	-	-	-	-	(0.13)	(0.13)
- Piramal Dutch Holdings N.V.	-	1.27	-	-	-	-	-	-	-	1.27
- PEL Pharma Inc.	-	0.73	-	-	-	-	-	-	-	0.73
- PhI Fininvest	-	4.05	-	-	-	-	-	-	-	4.05
- Piramal Critical Care UK Limited	2.74	0.57	-	-	-	-	-	-	2.74	0.57
- Convergence	-	0.11	-	-	-	-	-	-	-	0.11
TOTAL	**2.61**	**6.62**	-	-	-	-	-	-	**2.61**	**6.61**
Investments										
- India Resurgence Asset Management Business Private Limited	-	-	13.14	17.03	-	-	-	-	13.14	17.03
- India Resurgence Fund Scheme 2	-	-	236.76	170.19	-	-	-	-	236.76	170.19
TOTAL	-	-	**249.90**	**187.22**	-	-	-	-	**249.90**	**187.22**

All outstanding balances are unsecured and are repayable in cash.

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39 Property, Plant & Equipment, Investment in Non Convertible Debentures, Other Financial Assets and identified / specified Inter Corporate Deposits, and specified standard receivables relating to subsidiaries are mortgaged / hypothecated to the extent of Rs. 6,119 Crores (As on March 31, 2021 : Rs. 7,685 Crores) as a security against long term secured borrowings as at March 31, 2022.

Property, Plant & Equipment, Investment in Non Convertible Debentures, Other Financial Assets and identified / specified Inter Corporate Deposits, and specified standard receivables relating to subsidiaries are mortgaged / hypothecated as a security to the extent of Rs. Nil (As on March 31, 2021 : Rs. 110 Crores) against short term secured borrowings as at March 31, 2022.

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(Rs. in Crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Miscellaneous Expenses in Note 33 includes Auditors' Remuneration in respect of:		
A) Statutory Auditors:		
a) Audit Fees	3.60	0.95
b) GST Audit Fees	-	0.20
c) Other Services	0.17	0.13
d) Reimbursement of Out of pocket Expenses	-	0.04

41 (a) Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

(Rs. in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.88	4.16
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.15	7.86
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	36.04	19.36
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.30	0.16
The amount of interest accrued and remaining unpaid at the end of accounting year	0.45	8.02
Further interest remaining due and payable for earlier years	9.65	7.70

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(b) Ageing schedule of trade payables

Rs. in Crores

As at March 31, 2022	Outstandin					
Particulars	**Not due**	**Less than 1 year**	**1 year - 2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	2.78	1.94	0.04	0.00	0.12	4.88
(ii) Others	142.37	229.12	-	1.62	2.74	375.85
Total	**145.15**	**231.06**	**0.04**	**1.62**	**2.86**	**380.73**

Rs. in Crores

As at March 31, 2021	Outstandin					
Particulars	**Not due**	**Less than 1 year**	**1 year - 2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	3.24	0.79	0.00	-	0.13	4.16
(ii) Others	101.41	87.94	6.74	6.71	0.98	203.78
Total	**104.65**	**88.73**	**6.74**	**6.71**	**1.11**	**207.94**

Accrued expenses amount to Rs. 184.48 Crores as on March 31, 2022 (as on March 31, 2021 - Rs. 229.47 Crores)

42 The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Principal amounts outstanding as at the year-end were:

(Rs. in Crores)

Subsidiary Companies	As at March 31, 2022	As at March 31, 2021
Piramal Systems & Technologies Private Limited (Refer note 4)	-	13.16
Piramal Fund Management Private Limited	29.70	89.35
Piramal Capital & Housing Finance Limited	2,666.00	2,666.00
PHL Fininvest Private Limited	2,873.64	3,748.64
Piramal Asset Management Private Limited	15.40	10.70
Piramal Investment Advisory Services Private Limited	-	300.00
PEL Finhold Private Limited	-	21.50

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The maximum amounts outstanding during the year were:

(Rs. in Crores)

Subsidiary Companies	For the year ended March 31, 2022	For the year ended March 31, 2021
PHL Fininvest Private Limited	3,748.64	7,536.68
Piramal Fund Management Private Limited	89.35	253.86
Piramal Capital & Housing Finance Limited	2,666.00	2,666.00
Piramal Systems & Technologies Private Limited	13.16	16.08
Piramal Dutch Holdings N.V.	-	480.49
Piramal Dutch IM Holdco B.V.	-	1,410.18
PEL Pharma Inc.	-	154.04
Piramal Consumer Products Private Limited	-	-
Piramal Asset Management Private Limited	15.40	10.70
Piramal Investment Advisory Services Private Limited	300.00	300.00
Convergence Chemicals Private Limited	-	24.50
Piramal Pharma Limited	-	13.54
Piramal Securities Limited	0.20	1.00
PEL Finhold Private Limited	21.50	1,295.15

43 Earnings Per Share (EPS) - EPS is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic EPS for the year (Rs.)		
From continuing operations	24.02	(5.07)
From discontinued operations	-	6.75
Total basic EPS	**24.02**	**1.68**
Diluted EPS for the year (Rs.)		
From continuing operations	23.93	(5.07)
From discontinued operations	-	6.75
Total diluted EPS	**23.93**	**1.68**
Face value per share (Rs.)	2.00	2.00

(a) Profit/ (Loss) attributable to the owners of Piramal Enterprises Limited used in calculation of basic and diluted earnings per share

(Rs. In Crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1.Profit/ (Loss) after tax from continuing operations attributable to the equity shareholders	572.28	(120.22)
2.Profit/ (Loss) from discontinued operations attributable to the equity shareholders	-	160.12
3. Profit for the year attributable to the equity shareholders (1+2)	572.28	39.90

(b) Weighted average number of shares used in calculation of basic and diluted earnings per share

Particulars	Number of shares For the year ended March 31, 2022	Number of shares For the year ended March 31, 2021
1. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	23,82,93,390	23,71,27,756
2. Weighted Average Potential Equity Shares in respect of right shares reserved for CCD holders and right shares held in abeyance (nos.)	8,93,013	21,43,733
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (1+2)	23,91,86,403	23,92,71,489

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44 (i) Amounts recognised in the balance sheet
The Balance sheet shows the following amounts relating to leases:

Right-of-use assets
Movement during the year ended March 31, 2022 (Rs. in crores)

Category of Asset	Opening as on April 1, 2021	Additions during 2021-22	Deductions / Transfer during 2021-22	Depreciation for 2021-22	Closing as on March 31, 2022
Building	14.12	7.07	0.52	10.63	10.04
Leasehold Land	0.54	-	0.47	-	0.07
Storage unit	0.08	-	0.08	-	-
Guest House	0.54	-	-	0.23	0.31
IT Assets	3.92	-	-	2.83	1.09
Total	**19.20**	**7.07**	**1.07**	**13.69**	**11.51**

Lease liabilities as on April 1, 2021 21.43

Movement during the year ended March 31, 2021 (Rs. in crores)

Category of Asset	Opening as on April 1, 2020	Additions during 2020-21	Deductions during 2020-21	Depreciation for 2020-21	Closing as on March 31, 2021
Building	32.34	5.30	7.25	16.28	14.12
Leasehold Land	5.78	-	5.20	0.04	0.54
Storage unit	0.48	-	-	0.40	0.08
Guest House	0.30	0.56	-	0.32	0.54
IT Assets	8.03	-	-	4.11	3.92
Total	**46.93**	**5.86**	**12.45**	**21.15**	**19.20**

Lease liabilities as on April 1, 2020 42.80

(ii) Amounts recognised in the statement of profit or loss
The statement of profit or loss shows the following amounts relating to leases (Rs. In Crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on lease liabilities (included in finance cost) -Refer note 32	1.32	2.99
Expense relating to short-term leases (included in Other Expenses) -Refer note 33	0.51	3.10
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Other expenses) -Refer note 33	3.28	1.03

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 8.91%.

The bifurcation below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 and March 31, 2021 on an undiscounted basis:

(Rs. In Crores)

	As at March 31, 2022	As at March 31, 2021
1 year	8.56	14.70
1-3 years	3.68	8.20
3-5 years	1.86	0.21
More than 5 years	-	0.04

45 Investment Property

Investment property, recorded at a carrying value of Rs. 1,335.31 crores, consists of land development rights acquired during the previous year ended March 31, 2021, 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 Company at Rs. 1,734 crores (Previous Year: Rs. 1,579 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.

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46 The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 18 and 21 offset by cash and bank balances) and total equity of the Company.
The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through convertible and non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.
The capital components of the Company are as given below:

	As at March 31, 2022	(Rs. in Crores) As at March 31, 2021
Equity	23,121.53	23,183.74
Total Equity	**23,121.53**	**23,183.74**
Borrowings - Non Current	3,749.07	3,386.21
Borrowings - Current	2,098.06	3,285.69
Total Debt	**5,847.13**	**6,671.90**
Cash & Cash equivalents	(975.19)	(893.24)
Net Debt	**4,871.94**	**5,778.66**
Debt/Equity Ratio	**0.21**	**0.25**

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Total Debt to Total Net Worth, Interest Coverage Ratio, Fixed Asset Cover ratio, Minimum net worth conditions, etc. The Company is broadly in compliance with the said covenants and the banks have generally waived / condoned such covenants.

47 Risk Management
The Company's activities expose it to market risk, liquidity risk and credit risk.
The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.
The Senior Mangaement along with a centralized treasury manages the liquidity and interest rate risk on the balance sheet.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk - Securities price risks	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment in financial services is assessed by the investment team as well as independent risk team on the risk return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

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 Senior Management along with centralized treasury is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

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

Particulars	March 31, 2022	(Rs. in Crores) March 31, 2021
Undrawn credit lines	6,748.00	10,790.00
	6,748.00	10,790.00

Note: This includes Non-Convertible Debentures (Rs. 2,034 crores), Market Linked Debentures (Rs. 708 crores) and Commercial Papers (Rs. 4,006 crores) where only credit rating has been obtained and which can be issued, if required, within a short period of time.

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The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered.

(Rs. in Crores)

Maturities of Financial Liabilities	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2,396.02	4,135.10	47.79	-
Trade Payables	565.20	-	-	-
Lease liability	8.56	3.68	1.86	-
Other Financial Liabilities	48.35	-	-	-
	3,018.13	4,138.78	49.65	-

Maturities of Financial Liabilities	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	3,778.07	4,017.81	7.80	43.89
Trade Payables	437.41	-	-	-
Lease liability	14.70	8.20	0.21	0.04
Other Financial Liabilities	55.65	-	-	-
	4,285.83	4,026.01	8.01	43.93

The following table details the Company'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 Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(Rs. in Crores)

Maturities of Financial Assets	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	1,141.35	1,348.93		372.04
Loans to related parties	897.88	3,514.42	2,335.78	-
Trade Receivables	156.62	-	-	-
	2,195.85	4,863.35	2,335.78	372.04

Maturities of Financial Assets	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	-	703.69	-	398.70
Loans to related parties	971.12	2,507.13	5,145.35	-
Trade Receivables	162.87	-	-	-
	1,133.99	3,210.82	5,145.35	398.70

In assessing whether the going concern assumption is appropriate, the Company has considered a range of factors relating to current and expected profitability, debt repayment schedule and potential sources of replacement financing. The Company has performed sensitivity analysis on such factors considered and based on current indicators of future economic conditions; there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Because of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions.

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as at March 31, 2022.

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

(Rs. in Crores)

Particulars	March 31, 2022		March 31, 2021	
	Upto 3 year	Upto 5 year	Upto 3 year	Upto 5 year
Commitment to Piramal Capital & Housing Finance Limited (fund and non fund based)	-	-	2,084.00	-
Commitment to invest in ICDs of PHL Fininvest Private	7,126.36	-	6,251.36	-
Total	7,126.36	-	8,335.36	-

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
	1 to 3 years	1 to 3 years
Commitment to invest in AIF	78.09	2.66
Total	78.09	2.66

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

Commitment as on March 31, 2022

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	784.72	20.60
India Resurgence Fund - Scheme 2	100.00	66.04	737.37	500.61

Commitment as on March 31, 2021

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
Asia Real Estate Opportunities Fund	-	-	732.07	258.07
India Resurgence Fund - Scheme 2	100.00	75.34	731.15	550.85

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b. Interest Rate Risk Management

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Senior Management along with centralised treasury assess the interest rate risk run by it and provide appropriate guidelines to the treasury to manage the risk. The Senior Management along with centralised treasury reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The Senior Management along with centralised treasury reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	-	100.00
Fixed rate borrowings	5,844.50	6,696.11
	5,844.50	6,796.11

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 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, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 21, 2022 would decrease/increase by NIL (Previous Year Rs 1.00 Crores). This is attributable to the Company'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 Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2022 would increase/decrease by Rs. 29.19 Crores (Previous year Rs. 41.70 Crores). This is attributable to the Company's exposure to lendings at floating interest rates.

c. Other price risks

The Company 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 (Refer note 4):

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

Rs. in Crores

Particulars	Impact on OCI	
	March 31, 2022	March 31, 2021
Equity Index, Increase by 5%	71.82	72.80
Equity Index, Decrease by 5%	(71.82)	(72.80)

The Company has designated the following securities as FVTOCI Investments (Refer note 4):
Shriram City Union Finance Limited
Clarivate PLC

The Company chose this presentation alternative because the investment were made for strategic purposes rather than with a view to make profit on subsequent sale.

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d. Foreign Currency Risk Management

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company 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 effectiveness of the treasury function.
The Company 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

Firm commitment and highly probable forecast transaction	As at March 31, 2022		As at March 31, 2021	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
Forward contracts to sell USD / INR	-	-	60.00	459.01

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

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
EUR	-	-	0.04	0.38
GBP	-	-	0.14	1.44
USD	2.54	19.26	3.42	25.01

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade payables / (advance to suppliers)		Trade payables / (advance to suppliers)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	0.00	0.02	0.01	0.04
CHF	1.48	11.91	0.23	1.77
EUR	0.05	0.41	0.11	0.95
GBP	0.03	0.38	(0.02)	(0.25)
USD	1.80	8.72	(1.27)	(9.30)
JPY	0.22	0.02	0.22	0.02
RUB	-	-	0.02	*

Currencies	As at March 31, 2022		As at March 31, 2021	
	Current Account Balances receivable (payable)		Current Account Balances receivable (payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	0.69	5.03
GBP	0.02	0.17	0.01	0.06
CNY	0.21	0.25	-	-
CAD	-	-	0.02	0.13
RUB	0.90	0.20	5.38	0.53

* Amounts are below the rounding off norms adopted by the Company

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

Particulars		For the year ended March 31, 2022				For the year ended March 31, 2021			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs.)	Impact on Profit or Loss before tax/Other Equity (pre-tax) for the year (in Rs. Crores)	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs.)	Impact on Profit or Loss before tax/Other Equity (pre-tax) for the year (in Rs. Crores)
USD	Increase by 5%**	2.54	1.80	3.79	0.28	4.11	(1.27)	3.66	1.97
USD	Decrease by 5%**	2.54	1.80	(3.79)	(0.28)	4.11	(1.27)	(3.66)	(1.97)
GBP	Increase by 5%**	0.02	0.03	4.97	(0.01)	0.15	(0.02)	5.04	0.09
GBP	Decrease by 5%**	0.02	0.03	(4.97)	0.01	0.15	(0.02)	(5.04)	(0.09)
EUR	Increase by 5%**	-	0.05	4.21	(0.02)	0.04	0.11	4.29	(0.03)
EUR	Decrease by 5%**	-	0.05	(4.21)	0.02	0.04	0.11	(4.29)	0.03

** Holding all the other variables constant

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e. Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company'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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended March 31, 2022:

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

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at March 31, 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 ineffective-ness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	Nil (USD)	-	-	Nil	-	Not applicable	Nil	Not applicable

As at March 31, 2021 (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 ineffective-ness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	Nil (USD)	-	-	2.94	-	Not applicable	7.08	Revenue

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

Movement in Cash flow hedge reserve for the years ended	March 31, 2022 (Rs. In Crs)
As on March 31, 2020	(14.32)
Effective portion of changes in fair value:	
Foreign exchange forward contracts	3.42
Tax on movements on reserves during the year	(0.48)
Contracts novated to PPL	5.53
Tax on the Contracts novated to PPL	(1.23)
Net amount reclassified to profit or loss:	
Foreign exchange forward contracts	9.97
Tax on movements on reserves during the year	(2.89)
As on April 1, 2021	
Effective portion of changes in fair value:	
Foreign exchange forward contracts	-
Tax on movements on reserves during the year	-
Net amount reclassified to profit or loss:	
Foreign exchange forward contracts	-
Tax on movements on reserves during the year	-
As on March 31, 2022	-

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f. Credit Risk

Typically, the receivables of the Company can be classified in 2 categories:
1. Pharma Trade Receivables
2. Financial Services business - i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others ; and ii) Strategic Investment made in other corporate bodies.

Please refer Note 10 for risk mitigation techniques followed for Pharma Trade Receivables. Risk mitigation measures for Financial Services business primarily comprising of Real Estate Developers and Corporate Finance Groups are explained in the note below.

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.

Financial Services Business
The Company 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 Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining

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

The lending exposure includes lending to the below sectors :

Sectors	Exposure as at	
	March 31, 2022	March 31, 2021
Real Estate	39.28%	39.09%
Infrastructure	57.97%	58.35%
Others	2.76%	2.56%

Credit Risk Management
For wholesale lending business, credit
• 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

Risk Grading	Description
I	Extremely good loan
II	Good loan
III	Moderate loan
IV	Weak loan
V	Extremely weak loan

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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 Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company 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.vii of Significant Accounting Policies.
Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

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

Category - Description	Stages	Basis for Recognition of
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default (LGD)

The Company 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 fiancé 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 Company has computed the PD.

The Company 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 Company has made use of a combination of both internal as well as external LGD. The Company 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.

Impact of Covid -19 pandemic on the credit risk

The outbreak of Covid-19 pandemic across the globe and in India had contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Company through it's financial services segment offers long term and short term wholesale lending primarily to the real estate and infrastructure sector. In accordance with Reserve Bank of India (RBI) guidelines, the Company had proposed a moratorium benefit on the payment of principal instalments and / or interest, to all eligible borrowers classified as standard, even if overdue as on February 29, 2020 excluding the collections already made in the month of March 2020, basis approval by the management on a case to case basis. Accordingly, for all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the company's policy).

The company had ran a scenario analysis as on March 31, 2020 using proprietary algorithm-based risk models on the portfolio taking into account the possible impact related to Covid - 19 pandemic and had estimated and recognised an additional expected credit loss of Rs. 303 Crores on certain financial assets, on account of the anticipated effect of the global health pandemic. During the year ended March 31, 2021 the Company had utilized/ reversed provision of Rs. 162.84 crores out of the above.
The Company has, based on available information (internal and external) and economic forecasts, estimated and applied management overlays, for the purpose of determination of the provision for impairment of financial assets. The management continued to consider macroeconomic overlay similar to its previous study.
As a result of uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions.
Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

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Notes to financial statements for the year ended March 31, 2022

Expected Credit Loss as at end of the Reporting period:

As at March 31, 2022 **(Rs. in Crores)**

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	5,646.70	-	5,646.70
	Investments at amortised cost	13.14	-	13.14
	Other Financial Assets & Loans	30.11	-	30.11
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	272.49	163.40	109.10
	Loans at amortised cost	107.85	82.68	25.17
Total		**6,070.29**	**246.08**	**5,824.22**

As at March 31, 2021 **(Rs. in Crores)**

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	7,486.53		7,486.53
	Investments at amortised cost	286.28		286.28
	Other Financial Assets & Loans	69.70		69.70
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	131.60	8.57	123.03
	Loans at amortised cost		-	-
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	282.77	154.83	127.94
	Loans at amortised cost	121.68	82.68	39.00
Total		**8,378.56**	**246.08**	**8,132.48**

i) Reconciliation of Loss Allowance

For the year ended March 31, 2022 **(Rs. in Crores)**

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time: Financial assets for which credit risk has increased significantly and not credit-impaired	Loss allowance measured at life-time: Financial assets which are credit-impaired
Balance at the beginning of the year	8.57	-	237.51
On Account of Rate Change	-	-	8.57
On Account of Repayments/Transfers	(8.57)	-	-
Balance at the end of the year	**0.00**	**-**	**246.08**

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For the year ended March 31, 2021 (Rs. in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not	Financial assets which are credit-impaired
Balance at the beginning of the year	188.09	-	220.83
Transferred to Lifetime ECL credit impaired - specific provision		-	-
On Account of Rate Change	(1.83)	-	17.99
On Account of Repayments/Transfers	(177.69)	-	(1.31)
Balance at the end of the year	**8.57**	**-**	**237.51**

* The reduction in provision is on account of repayments and transfer of portfolio during the year (Refer Note 38(2)).

ii) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (Refer Note 47(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 Company generally ensures a security cover of more than 100% of the proposed facility amount. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques
vii) Pledge on investment in shares made by borrower entity

iii) The credit impaired assets as at the

(Rs. in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Security	134.27	166.94

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Notes to financial statements for the year ended March 31, 2022

48 In the previous year, the Company's research and development centers at Mumbai, Ennore and Ahmedabad have been transferred to Piramal Pharma Ltd. pursuant to transfer of pharma business. (Refer Note 53(a))

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad for the year are as follows:

(Rs. in Crores)

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue Expenditure*		53.56
TOTAL	-	**53.56**
Capital Expenditure, Net		
Additions to Property Plant & Equipment	-	1.04
Additions to Intangibles under Development	-	3.39
TOTAL	-	**4.43**

*The amount included in Note 33, under R&D Expenses (net) does not include Rs. Nil (Previous Year Rs. 40.68 Crores) relating to Ahmedabad locations. (Refer Note 53(a))

49 Movement in Provisions : (Rs. in Crores)

Particulars	Litigations / Disputes	
	2022	2021
Balances as at the beginning of the year	3.50	3.50
Additions	-	-
Unwinding of Discount	-	-
Revaluation of closing balances	-	-
Amount used	-	-
Unused amounts reversed	-	-
Balances as at the end of the year	**3.50**	**3.50**
Classified as Non-current	-	-
Classified as Current (Refer Note 24)	3.50	3.50
TOTAL	**3.50**	**3.50**

Provision for litigation / disputes represents claims against the Company 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.

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50 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

(Rs.in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax (for continuing and discontinuing operations) :		
In respect of the current year	19.18	-
Deferred tax (for continuing and discontinuing operations) :		
In respect of the current year	49.65	79.58
Tax adjustment for earlier years (Refer note h)		-
	49.65	**79.58**
Total tax expense recognised	**68.83**	**79.58**
Total tax expense attributble to		
from continuing operations	68.83	51.02
from discontinuing operations	-	28.56

b) Tax (expense)/ benefits recognised in other comprehensive income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax :		-
Deferred tax :		
Arising on income and expenses recognised in other comprehensive income:		
Fair value Remeasurement of hedging instruments entered into for cash flow hedges	-	3.37
Changes in fair values of equity instruments	48.03	(10.46)
Remeasurement of defined benefit obligation	(0.06)	0.03
Total tax expense recognised	**47.97**	**(7.06)**

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

(Rs.in Crores)

	March 31, 2022	March 31, 2021
Deferred tax assets	137.62	160.58
Deferred tax liabilities	(17.94)	(39.22)
	119.69	**121.36**

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. 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 could be utilized.

d) Movement of Deferred Tax during the year ended March 31, 2022

(Rs. in Crores)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in Capital reserves (Refer note 53(a))	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	(31.27)	22.02	-	-	(9.25)
Measurement of financial assets at amortised cost/fair value	34.03	(48.47)	48.03	-	33.59
Provision for assets of financial services	59.84	(1.65)	-	-	58.19
Fair value measurement of derivative contracts	(0.16)	0.16	-	-	-
Other Provisions	11.32	0.78	-	-	12.10
Property, Plant and Equipment and Intangible Assets	(7.79)	(0.90)	-	-	(8.69)
Deferred Revenue	35.68	(13.96)	-	-	21.72
Amortisation of expenses which are allowed in current year	0.19	(0.05)	-	-	0.14
Expenses that are allowed on payment basis	18.17	(8.50)	-	(0.06)	9.61
Recognition of lease rent expense	1.35	0.92	-	-	2.27
Total	**121.36**	**(49.65)**	**48.03**	**(0.06)**	**119.69**

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Movement of Deferred Tax during the year ended March 31, 2021

(Rs. in Crores)

Particulars	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Recognised in Capital reserves (Refer note 53(a))	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	(19.64)	(11.63)		-	(31.27)
Measurement of financial assets at amortised cost/fair value	25.76	(2.19)	10.46	-	34.03
Provision for assets of financial services	100.83	(40.99)		-	59.84
Fair value measurement of derivative contracts	4.44	(1.23)	(3.37)	-	(0.16)
Other Provisions	5.23	6.09		-	11.32
Property, Plant and Equipment and Intangible Assets	(175.17)	8.38		159.00	(7.79)
Deferred Revenue	59.02	(23.34)	-	-	35.68
Amortisation of expenses which are allowed in current year	0.23	(0.04)		-	0.19
Expenses that are allowed on payment basis	32.87	(14.67)	(0.03)	-	18.17
Recognition of lease rent expense	1.31	0.04		-	1.35
Total	**34.88**	**(79.58)**	**7.06**	**159.00**	**121.36**

e) The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in Crores)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit before tax from continuing and discontinuing operations	641.15	119.48
Income tax expense calculated at 25.17%	**161.38**	**30.07**
Effect of expenses that are not deductible in determining taxable profit	4.35	74.44
Effect of incomes which are exempt from tax	-	-
Effect of deduction in tax for interest on Compulsorily Convertible Debentures	(7.99)	(36.94)
Tax adjustment for earlier years on account of new tax regime being opted (refer note h)	-	8.90
Effect of capital gains on sale of investments in shares of subsidiaries	(6.00)	-
Effect of deduction from dividend income	(96.06)	(21.13)
Others	11.18	24.24
Income tax expense recognised in profit or loss	**66.86**	**79.58**

f) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year 2021-22 and 2020-21.

g) In assessing the realizability of deferred tax assets, the Company 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 Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company 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.

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51 **Fair Value Measurement**

a) **Financial Instruments by category (net of ECL provision) :**

(Rs. in Crores)

Particulars	March 31, 2022 FVTPL	March 31, 2022 FVTOCI	March 31, 2022 Amortised Cost	March 31, 2021 FVTPL	March 31, 2021 FVTOCI	March 31, 2021 Amortised Cost
Financial Assets						
Investments	2,380.26	1,436.50	122.23	1,544.45	1,456.07	537.26
Loans	-	-	5,609.98	-		6,860.69
Cash & Bank Balances	-	-	1,078.42	-		966.11
Trade Receivables	-	-	145.77	-		155.08
Other Financial Assets	-	-	92.00	-	-	734.54
	2,380.26	**1,436.50**	**7,048.40**	**1,544.45**	**1,456.07**	**9,253.68**
Financial liabilities						
Borrowings (including current maturities of Long Term Borrowings)	-	-	5,847.13	-	-	6,671.90
Trade Payables	-	-	565.20	-	-	437.41
Other Financial Liabilities	-	-	61.27	0.64		76.44
	-	-	**6,473.60**	**0.64**	-	**7,185.75**

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.

(Rs. in Crores)

Financial Assets	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
	March 31, 2022					
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Instruments	iii.	0.15	0.15			0.15
Investments in Preference Shares	i.	106.84	-	-	106.84	106.84
Investments in Mutual Funds	iii.	604.44	604.44			604.44
Investments in debentures or bonds :						
Redeemable Non-Convertible Debentures	iii.	559.31	-	-	559.31	559.31
Investment in Alternative Investment Fund	iv.	1,109.52	-	-	1,109.52	1,109.52
Measured at FVTOCI						
Investments in Equity Instruments	iii.	1,436.50	1,436.50	-	-	1,436.50
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of adjustment for Expected Credit Loss allowance)	vi.	285.63	-	-	285.63	285.63
Loans						
Term Loans (Gross of adjustment for Expected Credit Loss allowance)	vi.	24.38	-	-	24.38	24.38
Intercorporate Deposits (Gross of adjustment for Expected Credit Loss allowance)	vi.	2,749.47	-	-	2,704.55	2,704.55
Financial Liabilities	March 31, 2022					
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)	vii.	5,847.13	-	-	6,005.65	6,005.65
Measured at FVTPL						
Derivative Financial Liabilities	v.	-	-	-	-	-

(Rs. in Crores)

Financial Assets	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
	March 31, 2021					
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares	i.	105.00	-	-	105.00	105.00
Investments in debentures or bonds :						
Redeemable Non-Convertible Debentures	ii.	554.60	-	-	554.60	554.60
Investment in Alternative Investment Fund	iv.	634.84	-	-	634.84	634.84
Measured at FVTOCI						
Investments in Equity Instruments	iii.	1,456.07	1,456.07	-	-	1,456.07
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of adjustment for Expected Credit Loss allowance)	vi.	700.66	269.26	-	433.94	703.20
Loans						
Term Loans (Gross of adjustment for Expected Credit Loss allowance)	vi.	24.38	-	-	24.38	24.38
Intercorporate Deposits (Gross of adjustment for Expected Credit Loss allowance)	vi.	2,770.14	-	-	2,752.26	2,752.26
Financial Liabilities	March 31, 2021					
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)	vii.	6,671.90	-	-	6,727.84	6,727.84
Measured at FVTPL						
Derivative Financial Liabilities	v.	0.64	-	0.64	-	0.64

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. Similarly in case of financial assets/liabilities maturing in the next 12 months and loans or borrowings with variable rates of interest, the company considers carrying amount recognized in the financial statements to 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.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter 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 Investment in Preference Shares, Alternative Investment Funds, Debentures, Term Loans and Inter Corporate Deposits.

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Notes to financial statements for the year ended March 31, 2022

Valuation techniques used to determine the fair values:

i. The fair value of the preference shares has been calculated by using price to earnings method.

ii. 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.

iii. This includes listed equity instruments which are fair valued using quoted prices and closing NAV in the market.

iv. Investments in Alternative Investment Funds is valued basis the net asset value received from the fund house.

v. This includes forward exchange contracts whose fair value is determined using forward exchange rate at the balance sheet date.

vi. 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 fair values.

vii. 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.

c) **Fair value measurements for financial assets measured at FVTPL using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021.

(Rs. in Crores)

Particulars	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Fund	Share Warrants	Total
As at March 31, 2020	**673.51**	**105.00**	**78.77**	**1.48**	**858.76**
Acquisitions	-	-	524.70	-	524.70
Gains / (Losses) recognised in profit or loss	(21.93)	-	31.37	(1.48)	7.96
Realisations	(96.98)	-	-	-	(96.98)
As at March 31, 2021	**554.60**	**105.00**	**634.84**	-	**1,294.44**
Acquisitions	46.50	1.84	289.06	-	337.40
Gains / (Losses) recognised in profit or loss	13.47	-	258.40		271.87
Transfer out during the year					-
Realisations	(55.26)	-	(72.78)		(128.04)
As at March 31, 2022	**559.31**	**106.84**	**1,109.52**	-	**1,775.67**

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 preference shares and debentures are as follows:

1) For Non Convertible Debentures, 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 3rd party vendor for these data have been used.

2) The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates
3) 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 3rd party vendor for these data have been used.

4) For Preference Shares and Optionally Convertible Debentures, considered the value as maximum of debt value or equity value as on valuation date. For computation of debt value, discounted cash flow method has been used. For computation of equity value, market approach - comparable company multiple approach, the price to earnings multiple of peer companies in particular has been used.

e) **Sensitivity for instruments measured at FVTPL :**

(Rs. in Crores)

Nature of the instrument	Fair value As on March 31, 2022	Fair value As on March 31, 2021	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2022		Sensitivity Impact for the year ended March 31, 2021	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	512.81	554.60	Discount rate	0.70%	(3.51)	3.54	(1.45)	1.46
			Equity component (projections)	10%	-	-	-	-
Preference Shares	105.00	105.00	Equity valuation	10%	-	-	-	-
	106.00	105.00	Discount rate	0.7% (0.375% for March 2021)	(1.10)	1.11	(0.60)	0.60

* 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 Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

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52(a) (i) On December 19, 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 March 31, 2022 , the Company has allotted 1,15,89,400 equity shares {face value of Rs. 2 each) pursuant to the compulsory conversion of these CCDs.

52(b) (i) On December 24, 2019, the 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 Company on January 29, 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 Company on June 28, 2021 had allotted 1,535,944 right shares to the CCD Holder out of the portion reserved under the Right Issue made by the Company vide Letter of offer dated 24th December, 2019.

(ii) On March 8, 2018, the Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of 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 June 30, 2019 and September 30, 2019, 213,392 and 66 equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on March 31, 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 March 31, 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 ₹2 each aggregating to ₹1,150,744, which was

52(c) Proceeds from the rights issue have been utilised upto March 31, 2022 in the following manner :

(Rs. in Crores)

Particulars	Planned	Actual till 31/03/2022
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**

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Notes to financial statements for the Year ended March 31, 2022

53 (a) Discontinued operations

(i) Transfer of Pharma Business:

The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceuticals business, ('Pharma business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Ltd., a subsidiary of the Company ('PPL'). The transaction was completed on October 6, 2020 on receipt of requisite approvals. The consideration received by the company from PPL is Rs 4,487 crores and the excess of such consideration the net assets, net of tax, has been transferred to capital reserve, the transaction being a common control transaction under Ind AS 103 "Business Combinations".

Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued Operations as part of the results. The previous periods have been restated in the standalone financial statements to give effect to the presentation requirements of Ind AS 105: " Non - Current Assets Held for Sale and Discontinued Operations"

(ii) Analysis of profit/ (loss) for the year from discontinued operations:

Particulars	Year Ended March 31, 2021
Revenue from operations	1,075.84
Other income	81.35
Total Income (I)	**1,157.19**
Cost of Goods Sold	395.38
Other expenses	535.70
Total Expenses (II)	**931.08**
Profit/(Loss) before exceptional items and tax ((I)-(II))	**226.11**
Exceptional items	(37.43)
Profit/(Loss) before tax	**188.68**
Less:Tax expense	28.56
Profit/(Loss) from discontinued operations after tax	**160.12**
Other Comprehensive Income and (Expense) (OCI)	
Deferred gains / (losses) on cash flow hedge, net of tax	4.30
	4.30
Total Comprehensive Income, net of tax expense	**164.42**

(iii) Cash flows from discontinued operations

Particulars	Year Ended March 31, 2021
Net cash inflows from operating activities	52.57
Net cash outflows from investing activities	(50.71)
Net cash outflows from financing activities	(1.12)

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Notes to financial statements for the Year ended March 31, 2022

53(b) Disposal of Pharmaceutical business

Particulars	Rs. in Crores Year Ended March 31, 2021
(i) **Consideration received**	
Consideration in form of cash received	3,710.00
Consideration in form of cash receivable	592.00
Consideration in form of shares	185.00
Total consideration	**4,487.00**
(ii) **Analysis of asset and liabilities over which control was lost on October 6, 2020:**	
Assets	
Property, Plant & Equipment	1,273.29
Investment in Subsidiaries, Associates and Joint Venture	1,526.42
Other Intangible Assets	339.47
Trade receivables	458.82
Inventories	530.21
Other assets	570.60
Total assets	**4,698.81**
Liabilities	
Trade payables	516.60
Other liabilities	142.44
Other Equity	4.30
Total liabilities	**663.34**
Net assets disposed off	**4,035.47**
(iii) **Gain on disposal**	
Consideration	4,487.00
Less: Net assets disposed off	(4,035.47)
Less: Difference in carrying value of investment transferred and fair value of shares received	(98.56)
Add: Tax adjusted in reserves*	93.79
Gain on disposal	**446.76**

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Notes to financial statements for the Year ended March 31, 2022

54 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company 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 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)

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company 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.

(vii) The Company 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) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) to any other person(s) of entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall land or invest in a party ("Ultimate Beneficiaries") identified by or on behalf of the Company. There are no funds received from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly land or invest in other persons or entites ("Ultimate beneficiaries") identified by or on behalf of the funding party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

(x) The Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
New Golden Transport Company	Receivables	-*	Customer
IMS Services Pvt. Ltd	Payable	-*	Vendor
Secureplus Allied Private Limited	Payable	-*	Vendor

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
IMS Services Pvt. Ltd	Payable	-*	Vendor
EMS Networks Pvt Ltd	Payable	-*	Vendor
Secureplus Allied Private Limited	Payable	-*	Vendor

*Amounts below rounding off norms

55 Ratio disclosure

Ratio	Definition	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	Variance (%)	Reasons for variance
Current ratio	Current Assets / Current liabilities	Current Assets	Current liabilities	1.06	0.78	36%	Due to repayment of current borrowings.
Debt-equity ratio	Total Debt/Total Equity	Total Debt	Total Equity	0.25	0.29	-12%	*
Debt service coverage ratio	(Profit before Interest, Tax and Exceptional items) / (Interest Expense on long term debt+ Principal Repayment of long term Debt)	Profit before Interest, Tax and Exceptional items	Interest Expense on long term debt+ Principal Repayment of long term Debt	0.66	0.19	254%	Majorly due to increase in profit and decline in repayment of long term debt" compared to previous year
Return on equity ratio	(Net Profits after taxes – Preference Dividend) /Average Shareholder's Equity	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	2.52%	0.60%	317%	Due to significant increase in profits for current year compared to previous year
Inventory turnover ratio	Cost of goods sold/Average inventory)- Annualised (in days)	Cost of goods sold	Average inventory)- Annualised (in days)	59.06	63.21	-7%	*
Trade receivables turnover ratio	Sales of Products and Services / Average Trade Receivable Annualised (in days)	Sales of Products and Services	Average Trade Receivable Annualised (in days)	51.43	69.00	-25%	On account of transfer of Pharma business, average trade receivables have reduced significantly (Refer note 53)
Trade payables turnover ratio	Net Purchases/Average Trade Payables	Net Purchases	Average Trade Payables	167.53	390.90	-57%	On account of transfer of Pharma business, average trade payables have reduced significantly (Refer note 53)
Net capital turnover ratio	Sales of Products and Services) / Working Capital	Sales of Products and Services	Working Capital	0.47	0.22	109%	Majorly due to significant increase in sale of Pharma products compared to previous year.
Net profit ratio	Profit after tax before exceptional items/Revenue from operations	Profit after tax before exceptional items	Revenue from operations	26.17%	7.57%	19%	*
Return on capital employed	Earning before interest and taxes/ Capital Employed	Earning before interest and taxes	Capital Employed	30.29%	12.16%	18%	*
Return on investment	Net Income on investments / Cost of Investments	Net Income on investments	Cost of Investments	1.49%	0.22%	1.27%	*

*Variance is less than 25%

Note - The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved the sale of the major line of pharmaceuticals business, ('Pharma business'), including those held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Ltd. (PPL), a subsidiary of the Company. Consequently, operations relating to the Pharma Business in respect of total income, total expenses and tax have been disclosed separately as Discontinued Operations as part of the results. Accordingly, the ratios as reported for the current period are not comparable with the Ratios reported for previous period(s)/ year.

56 Vide Order dated June 7, 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 the 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 ₹ 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/ acquisition date). As per Ind AS 103, purchase consideration has been allocated based on fair value of the assets acquired and liabilities assumed as on the acquisition date. Upon merger, the Company has received equity shares of DHFL in exchange for its equity investments in PCHFL.

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57 In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same Annual Report and therefore, no separate disclosure on segment information is given in these financial statements.

58 The financial statements have been approved for issue by Company's Board of Directors on May 26, 2022.

Signature to note 1 to 58 of financial statements

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman
Mumbai, May 26, 2022

Vivek Valsaraj
Chief Financial Officer
Mumbai, May 26, 2022

Bipin Singh
Company Secretary
Mumbai, May 26, 2022

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INDEPENDENT AUDITOR'S REPORT

To The Members of Piramal Pharma Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Piramal Pharma Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31 March 2022, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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(LLP Identification No. AAB-8737)

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- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income , cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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

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fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 standalone 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 Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone 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 as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, 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 Company to or in any other person(s) or entity(ies), including foreign entities ("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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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. As stated in note 15 to the standalone financial statements:

(a) The Company did not propose any final dividend in the previous year.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN:22046930AJNJMH5506)

Place: Mumbai
Date:24 May 2022

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Piramal Pharma Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN:22046930AJNJMH5506)

Place: Mumbai
Date:24 May 2022

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(b) The Company has maintained proper records showing full particulars of intangible assets.

(c) The Company has a program of verification of property, plant and equipment (capital work-in progress and right of use assets) so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed/Business Transfer Agreement provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.

(e) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(f) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventories:

(a) The inventories excluding stock with other third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of inventory lying with the other third party, confirmations were obtained by the management for the stocks held by

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them at year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising sales, production, current assets and current liabilities, wherever submitted by the Company with such banks or financial institutions, are in agreement with the unaudited books of account of the Company of the respective quarters. As informed by the management, the statement for the quarter ended March 31, 2022 will be submitted to the bank basis audited financial statements for the year ended March 31, 2022.

(iii) The Company has made investments in, provided guarantee and granted unsecured loans to companies in respect of which:

(a) The Company has provided loans, stood guarantee during the year and details of which are given below:

	Loans	Guarantees
A. Aggregate amount provided during the year:		
-Subsidiaries	Rs. 197.36 crores	Rs. 95 crores
B. Balances outstanding as at balance sheet date in respect of above cases*#		
-Subsidiaries	Rs. 838.97 crores	Rs. 54.19 crores

*The amounts reported above are at gross amounts, without considering provisions made.
Includes opening balances

The Company has not provided any advances in the nature of loans and security to any other entity during the year.

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

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(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

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Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs In Crores)	Amount unpaid (Rs in Crores)
Central Excise Laws	Excise Duty & Service Tax including interest and penalty, as applicable.	High Court	2008-10 to 2012-13	9.42	7.54
		CESTAT	1998 to 2005, 2010-2011, 2013-15 and 2016-18	11.42	10.92
		Appellate Authority upto Commissioner's level	2006-07, 2009-2018	1.32	1.10
Goods and Services Tax	Goods and Services Tax	Appellate Authority upto Commissioner's level	2019-2020	0.03	-
Sales Tax Laws	Sales Tax	High Court	2005-06 and 2014-18	1.06	0.71
Custom Laws	Custom Duty	CESTAT	2009-2012	1.57	1.41

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In respect of its borrowings:

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, terms loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima-facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies

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(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made private placement of shares during the year in lieu of discharge of balance consideration. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, however, no funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi) In respect of frauds:

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In respect of internal audits:

(a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date when performing our audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) In respect of registration u/s 45-IA:

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) is not applicable.

(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

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(xvii) The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 22046930AJNJMH5506)

Place: Mumbai
Date: 24 May 2022

Piramal Pharma Limited
Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores	
ASSETS					
Non-Current Assets					
(a) Property, Plant & Equipment	3		1,296.20		1,291.78
(b) Capital Work in Progress	54		155.28		79.34
(c) Intangible Assets	3		299.02		321.58
(d) Intangible Assets Under Development	55		49.82		41.66
(e) Right of Use Asset	45		13.76		13.45
(f) Financial Assets:					
(i) Investments	4	2,597.28		1,591.52	
(ii) Loans	5	791.65		613.81	
(iii) Other Financial Assets	6	14.15	3,403.08	10.75	2,216.08
(g) Other Non-Current Assets	7		32.67		25.28
Total Non-Current Assets			**5,249.83**		**3,989.17**
Current Assets					
(a) Inventories	8		481.28		420.88
(b) Financial Assets:					
(i) Investments	4	37.01		-	
(ii) Trade Receivables	9 & 52	947.65		839.75	
(iii) Cash & Cash Equivalents	10	84.65		146.73	
(iv) Bank Balances Other Than (iii) above	11	5.62		5.62	
(v) Loans	12	47.32		10.60	
(vi) Other Financial Assets	13	27.48	1,149.73	100.28	1,102.98
(c) Other Current Assets	14		327.48		243.64
Total Current Assets			**1,958.49**		**1,767.50**
TOTAL ASSETS			**7,208.32**		**5,756.67**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	15	1,185.91		994.60	
(b) Share warrants	15	-		0.10	
(c) Other Equity	16	3,881.43		3,105.92	
Total Equity			**5,067.34**		**4,100.62**
Liabilities					
Non-Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	17	447.61		-	
(ii) Lease Liability	45	7.55		7.37	7.37
(iii) Other Financial Liabilities	18	0.40	455.56	-	-
(b) Provisions	19		10.74		6.59
(c) Deferred Tax Liabilities (Net)	20		157.54		170.42
Total Non-Current Liabilities			**623.84**		**184.38**
Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	21	653.92		165.20	
(ii) Lease Liability	45	2.30		1.69	
(iii) Trade Payables					
Total outstanding dues of Micro enterprises and small enterprises		47.65		26.61	
Total outstanding dues of creditors other than Micro enterprises and small enterprises	53	567.55		557.51	
(iv) Other Financial Liabilities	22	153.09	1,424.51	633.52	1,384.53
(b) Other Current Liabilities	23		40.64		46.57
(c) Provisions	24		32.50		30.88
(d) Current Tax Liabilities (Net)	25		19.49		9.69
Total Current Liabilities			**1,517.14**		**1,471.67**
Total Liabilities			**2,140.98**		**1,656.05**
TOTAL EQUITY & LIABILITIES			**7,208.32**		**5,756.67**

The above Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached

Summary of Significant Accounting Policies — 2

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022

For and on behalf of the Board of Directors

Nandini Piramal
Chairperson
DIN : 00286092

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24 2022

PIRAMAL PHARMA LIMITED
Statement of Profit and Loss for the year ended March 31, 2022

	Note No.	For the year ended March 31, 2022 Rs. in Crores		For the period March 04, 2020 To March 31, 2021 Rs. in Crores	
Revenue from operations	26		3,094.95		2,938.81
Other Income (Net)	27		223.59		197.97
Total Income			**3,318.54**		**3,136.78**
Expenses					
Cost of materials consumed	28	1,003.68		986.70	
Purchases of Stock-in-Trade	29	509.70		183.21	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(30.17)		57.86	
Employee benefits expense	31	425.30		395.15	
Finance costs	32	53.55		4.71	
Depreciation and amortization expense	3 & 45	130.64		143.64	
Other expenses	33	789.14		696.96	
Total Expenses			**2,881.84**		**2,468.23**
Profit Before Exceptional Items and Tax			**436.70**		**668.55**
Exceptional Items	34		(12.47)		18.23
Profit before Tax			**424.23**		**686.78**
Less: Income Tax Expense	49				
Current tax			96.34		104.98
Deferred Tax (Net)			(15.16)		10.30
			81.18		115.28
Profit after Tax			**343.05**		**571.50**
Other Comprehensive Income / (Loss) (OCI), net of tax expense:	35				
A. Items that will not be reclassified to profit or loss					
Remeasurement of Post Employment Benefit Obligations		0.39		(3.28)	
Income Tax Impact on above		(0.10)	**0.29**	0.82	**(2.46)**
B. Items that will be reclassified to profit or loss					
Deferred gain on cash flow hedge		8.66		7.66	
Income Tax Impact on above		(2.18)	**6.48**	(1.93)	**5.73**
Total Other Comprehensive Income (OCI) for the period, net of tax expense			**6.77**		**3.27**
Total Comprehensive Income for the period, net of tax expense			**349.82**		**574.77**
Earnings Per Equity Share (Basic) (Rs.) (Face value of Rs. 10/- each)	44		**2.91**		**9.11**
Earnings Per Equity Share (Diluted) (Rs.) (Face value of Rs. 10/- each)	44		**2.91**		**9.11**

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022

For and on behalf of the Board of Directors

Nandini Piramal
Chairperson
DIN : 00286092

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24 2022

Piramal Pharma Limited
Cash Flow Statement for the year ended March 31, 2022

		For the year ended March 31, 2022 Rs. in Crores	For the period March 04, 2020 To March 31, 2021 Rs. in Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before exceptional items and tax	436.70	668.55
	Less : Profit for the period Mar 4,2020 to October 5, 2020	-	(319.44)
	Profit for the period Oct 6,2020 to Mar 31,2021	-	349.11
	Adjustments for :		
	Depreciation and amortisation expense	130.64	60.96
	Provision written back	(60.13)	(1.72)
	Finance Costs considered separately	53.55	4.71
	Interest Income on Financial assets	(28.38)	(16.29)
	Dividend received	(90.66)	(49.00)
	(Gain)/Loss on Sale of Property Plant and Equipment	0.91	0.05
	Write-down of Inventories	(0.07)	13.97
	Profit on Sale of Investment (Net)	(1.95)	-
	Expected Credit Loss on Trade Receivables	2.64	0.96
	Unrealised foreign exchange (gain)	(2.87)	(4.68)
	Operating Profit Before Working Capital Changes	**440.38**	**358.07**
	Adjustments For Changes In Working Capital :		
	Adjustments for (increase) / decrease in operating assets		
	- Trade receivables	(106.63)	(286.52)
	- Other Current Assets	(83.84)	(17.45)
	- Other Non Current Assets	1.05	4.83
	- Other Financial Assets - Non Current	(3.40)	12.82
	- Inventories	(60.33)	95.36
	- Other Financial Assets - Current	62.70	(47.14)
	Adjustments for increase / (decrease) in operating liabilities		
	- Trade Payables	85.56	27.58
	- Non - Current provisions	4.54	(30.12)
	- Other Current Financial Liabilities	3.56	(12.68)
	- Other Current Liabilities	(5.93)	(5.50)
	- Current provisions	1.62	30.76
	Cash Generated from Operations	**339.28**	**130.01**
	- Taxes Paid (Net of Refunds)	(84.08)	(95.29)
	Net Cash Generated from Operating Activities	**255.20**	**34.72**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Purchase of Property Plant and Equipment / Intangible Assets	(200.51)	(58.11)
	Proceeds from Sale of Property Plant and Equipment / Intangible Assets	1.51	2.93
	Purchase of Current Investments:		
	- in Mutual Funds	(1,438.00)	-
	Proceeds from Sale of Current Investments:		
	- in Mutual Funds	1,402.93	-
	Payment for purchase of pharma business	-	(3,710.00)
	Interest Received	11.93	0.49
	Other Bank Balances	-	(5.62)
	Dividend received	81.59	49.00
	Investment in equity shares of subsidiary	(790.73)	(65.10)
	Investment in Associate	(101.77)	-
	Loans to related parties (Net of repayments)	(176.03)	(596.48)
	Transaction cost paid on acquisition of Subsidiary	(13.94)	-
	Net Cash Used in Investing Activities	**(1,223.02)**	**(4,382.89)**

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PIRAMAL PHARMA LIMITED MUMBAI

Piramal Pharma Limited
Cash Flow Statement for the year ended March 31, 2022

		For the year ended March 31, 2022	For the period March 04, 2020 To March 31, 2021
		Rs. in Crores	Rs. in Crores
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Non - Current Borrowings		
	- Receipts	700.00	-
	- Payments	-	-
	Proceeds from Current Borrowings		
	- Receipts	830.78	473.39
	- Payments	(530.80)	(383.01)
	Lease payments		
	- Principal	(2.11)	(0.77)
	- Interest	(0.90)	(0.42)
	Rights issue proceeds	-	785.00
	Receipt from issue of equity shares	-	3,448.41
	Proceeds from Compulsorily Convertible Preference Share Issue	-	75.00
	Payment against lapsed share warrants	(0.10)	-
	Finance Costs Paid	(41.13)	(4.29)
	Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	-	100.85
	Dividend Paid	(50.00)	-
	Net Cash Generated from Financing Activities	**905.74**	**4,494.16**
	Net (Decrease) / Increase in Cash & Cash Equivalents [(A)+(B)+(C)]	(62.08)	145.99
	Cash and Cash Equivalents as at March 31, 2021 & March 04, 2020 respectively	146.73	0.74
	Cash and Cash Equivalents as at March 31	**84.65**	**146.73**
	Cash and Cash Equivalents Comprise of :		
	Cash on Hand	0.05	0.11
	Balance with Scheduled Banks in Current Accounts	84.60	146.62
		84.65	**146.73**

Note:

1. On October 01, 2021, the Company had alloted 9,657,423 equity shares of face value Rs. 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited amounting to Rs.592 crores.
2. On October 01, 2021, the Company had alloted 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.
3. On October 04, 2021, the Company had issued 177,665,757 equity shares as bonus shares to the existing shareholders in the ratio 5.674:1
4. During previous year, the Company had issued 1,06,71,651 fully paid equity shares with face value of Rs.10 each and carrying security premium of Rs. 163.36 per share, aggregating to Rs. 185 crore in exchange for 1,00,000 fully paid equity share of Rs.10 each of Piramal Healthcare Inc. having a carrying value of Rs 86.44 crores, acquired pursuant to agreement for purchase of Pharma business entered into between the Company and Piramal Enterprise Limited (Refer note 51).

The above Statement of Cash flow should be read in conjunction with the accompanying notes

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022

For and on behalf of the Board of Directors

Nandini Piramal
Chairperson
DIN : 00286092

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24 2022

Piramal Pharma Limited
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital (Refer Note 15):

Particulars	Rs. in Crores
At the incorporation of the Company	**0.01**
Issued during the period	994.59
Balance as at March 31, 2021	**994.60**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	994.60
Issued during the period	191.31
Balance as at March 31, 2022	**1,185.91**

B. Share Warrants

Particulars	
Balance as at March 04, 2020	-
Issued during the period	0.10
Balance as at March 31, 2021	**0.10**
Lapsed during the year	(0.10)
Balance as at March 31, 2022	-

C. Other Equity

Particulars	Notes	Reserves & Surplus			Other Items in OCI	Total
		Capital Reserve	Securities Premium	Retained Earnings	Cash Flow Hedging Reserve	
Balance as at March 04, 2020		-	-	-	-	-
Acquired from Piramal Enterprises Limited through business transfer agreement (refer note 51)		(392.00)	-	-	-	(392.00)
Adjusted balance as at March 04, 2020		**(392.00)**	-	-	-	**(392.00)**
Add: Cash balance not taken over (including generated out of operations for the period from March 4, 2020 to October 5, 2020) (Refer Note 51)	16	(326.34)	-	-	-	(326.34)
Profit after tax for the period		-	-	571.50	-	571.50
Other Comprehensive Income/(Loss) (net of tax expense) for the period		-	-	(2.46)	5.73	3.27
Issue of Equity Shares (Refer Note 51)		-	3,249.49	-	-	3,249.49
Balance as at March 31, 2021		**(718.34)**	**3,249.49**	**569.04**	**5.73**	**3,105.92**
Profit after tax for the year				343.05		343.05
Other Comprehensive Income for the year				0.29	6.48	6.77
Dividend paid during the year				(50.00)		(50.00)
Issue of Equity Shares (Refer Note 15)			475.69			475.69
Balance as at March 31, 2022		**(718.34)**	**3,725.18**	**862.38**	**12.21**	**3,881.43**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022

Nandini Piramal
Chairperson
DIN : 00286092

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24 2022

Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

1. GENERAL INFORMATION

Piramal Pharma Limited (PPL) (including its subsidiaries) is one of India's largest pharmaceutical companies.

In Pharma, through end-to-end manufacturing capabilities across 14 global facilities and a large global distribution network to over 100 countries, The Group sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Products segment in India.

PPL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of preparation of financial statements**

Compliance with Ind AS

The standalone 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.

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.

Historical Cost convention

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value.

ii) **Investments in subsidiaries & associates**

Subsidiaries:
Subsidiaries are all entities (including structured entities) over which the group has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:
An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or joint control over those policies.

iii) **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. The Company has made accounting policy choice to account investment in associates and joint venture at a carrying cost as appearing in the books of acquiree.

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 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 capital employed of the business of transferor is transferred to capital reserve.

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

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Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

iv) **Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other items of Property Plant & Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to 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
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:

Asset Class	**Useful life**
Buildings*	10 years - 60 years
Roads	10 years
Furniture & Fixtures	3 years - 15 years
Plant & Equipment	3 years - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	8 years

*Useful life of leasehold improvements is as per lease period

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

v) **Intangible Assets**
Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the 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	10 - 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years
Computer Software	3 - 6 years

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

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PIRAMAL PHARMA LIMITED MUMBAI

Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

vi) **Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or 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 the Company 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 Company 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.

Subsequent Measurement

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

Amortised cost:

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

Fair value through 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 the statement of profit and 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.

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Impairment of financial assets

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets
A financial asset is derecognised only when:

- The Company 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 Company 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 Company 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 Preference Shares
Compulsorily Convertible Preference Shares are classified as a financial liability measured at amortised cost until it is extinguished on conversion.

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 Company 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. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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

Financial Guarantee Contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

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PIRAMAL PHARMA LIMITED
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Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company'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.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

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

(ii) Derivatives that are not designated as hedges:
The Company 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 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 as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

x) **Employee Benefits**
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(iii) Post-employment obligations
The company operates the following post-employment schemes:
- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans
The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

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PIRAMAL PHARMA LIMITED MUMBAI

Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

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.

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.

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

Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company 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 company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

xii) **Revenue recognition**

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

Sale of goods: Revenue from the sale of goods is recognised when the Company 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 Company 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 Company 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 for the amount to which the Company has a right to invoice.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

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

xiii) **Foreign Currency Transactions**
In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee 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 the statement of profit and 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.

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

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xv) **Leases**
(a) IND AS 116, Leases

Effective March 04, 2020, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on March 04, 2020 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land & buildings.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements 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 the statement of profit and 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.

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 current liabilities in the balance sheet.

xviii) **Borrowing Costs**
General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xix) **Segment Reporting**
In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same annual report and therefore, no separate disclosure on segment information is given in these financial statements.

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xx) **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 March 23, 2022, MCA amended the Companies.

(Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

xxi) **Dividends**
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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 Schedule III, unless otherwise stated.

xxiii) **Insurance Claim**
Insurance Claim is recorded as an income on the basis of filing of insurance claim and corresponding claim receivable is recognised as an asset.

2b. Critical accounting judgements and key sources of estimation uncertainties

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

i **Estimation of uncertainty relating to COVID-19 global health pandemic**
In assessing the recoverability of receivables and intangible assets the Company has considered internal and external sources of information, including economic forecasts and industry reports up to the date of approval of these standalone financial statements. The Company 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 company's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions. Also refer note 3, 9 and 47(a).

ii **Impairment loss in Investments carried at cost:**
The Company conducts impairment reviews of investments in subsidiaries / associates 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 base on future cash flows and a suitable discount rate in order to calculate the present value.

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3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Rs. in Crores

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening As at April 1, 2021	Additions	Deductions/ Adjustments	As at March 31, 2022 (A)	Opening As at April 1, 2021	For the year #	Deductions/ Adjustments	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)	As at March 31, 2021
Tangible Assets										
Land Freehold	21.03	-	-	**21.03**	-	-	-	-	**21.03**	21.03
Buildings	738.13	19.66	-	**757.79**	75.11	18.75	-	**93.86**	**663.93**	663.02
Roads	2.08	-	-	**2.08**	0.87	0.22	-	**1.09**	**0.99**	1.21
Plant & Equipment	913.09	67.61	12.48	**968.22**	332.92	60.72	10.07	**383.57**	**584.65**	580.17
Furniture and fixtures	28.18	2.74	0.02	**30.90**	12.66	2.69	0.02	**15.33**	**15.57**	15.52
Motor Vehicles	0.88	0.02	-	**0.90**	0.51	0.10	-	**0.61**	**0.29**	0.37
Office equipment	25.81	3.95	0.04	**29.72**	15.35	4.66	0.03	**19.98**	**9.74**	10.46
Total (I)	**1,729.20**	**93.98**	**12.54**	**1,810.64**	**437.42**	**87.14**	**10.12**	**514.44**	**1,296.20**	**1,291.78**
Intangible Assets *										
Brands and Trademarks +	451.51	8.13	-	**459.64**	158.05	31.65	-	**189.70**	**269.94**	293.46
Copyrights, Know-how and Intellectual property rights	17.79	-	-	**17.79**	10.54	1.76	-	**12.30**	**5.49**	7.25
Computer Software	40.46	10.15	-	**50.61**	25.22	6.12	-	**31.34**	**19.27**	15.24
Product Know-how	6.57	-	-	**6.57**	0.94	1.31	-	**2.25**	**4.32**	5.63
Total (II)	**516.33**	**18.28**	-	**534.61**	**194.75**	**40.84**	-	**235.59**	**299.02**	**321.58**
Grand Total (I+II)	**2,245.53**	**112.26**	**12.54**	**2,345.25**	**632.17**	**127.98**	**10.12**	**750.03**	**1,595.22**	**1,613.36**

*** Material Intangible Assets as on March 31, 2022:**

Asset Class	Carrying Value as at March 31, 2022 (Rs. Crores.)	Carrying Value as at March 31, 2022 (Rs. Crores.)	Remaining useful life as on March 31, 2022
Product-related Intangibles - Brands and Trademarks	269.94	293.46	2 years to 15 years

Depreciation for the period ended March 31, 2022 includes depreciation amounting to Rs.7.88 Crores (Previous Year Rs. 9.12 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

+ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

Considering internal and external sources of information, the Company 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 Company 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) an 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 these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Company's best estimate of the recoverable amounts.

Refer Note 36B(a) for the contractual capital commitments for purchase of Property, Plant & Equipment.

There has been no revaluation of Property, Plant and Equipment (PPE) and Intangibles during the year ended March 31, 2022.

The Company holds the title deeds of all immovable properties in their name.

Refer note 54 and 55 for ageing of Capital Work in Progress and Intangible Assets under development

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3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Rs. in Crores

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT
	Balance Acquired As at March 4, 2020 refer note **	Additions for the period	Deductions/ Adjustments	As at March 31, 2021 (A)	Balance Acquired As at March 4, 2020 refer note **	For the Period #	Deductions/ Adjustments	As at March 31, 2021 (B)	As at March 31, 2021 (A-B)
Tangible Assets									
Land Freehold @	21.03	-	-	**21.03**	-	-	-	-	**21.03**
Buildings @	737.80	15.15	14.82	**738.13**	62.15	19.62	6.66	**75.11**	**663.02**
Roads	2.08	-	-	**2.08**	0.63	0.24	-	**0.87**	**1.21**
Plant & Equipment	872.66	67.95	27.52	**913.09**	276.38	71.64	15.10	**332.92**	**580.17**
Furniture and fixtures	28.37	1.56	1.75	**28.18**	11.05	2.76	1.15	**12.66**	**15.52**
Motor Vehicles	0.86	0.02	-	**0.88**	0.40	0.11	-	**0.51**	**0.37**
Office equipment	25.65	2.87	2.71	**25.81**	12.20	4.60	1.45	**15.35**	10.46
Total (I)	**1,688.45**	**87.55**	**46.80**	**1,729.20**	**362.81**	**98.97**	**24.36**	**437.42**	**1,291.78**
Intangible Assets *									
Brands and Trademarks +	451.51	-	-	**451.51**	123.59	34.46	-	**158.05**	**293.46**
Copyrights, Know-how and Intellectual property rights	17.79	-	-	**17.79**	8.78	1.76	-	**10.54**	**7.25**
Computer Software	34.12	7.21	0.87	**40.46**	19.73	6.27	0.78	**25.22**	**15.24**
Product Know-how	2.32	6.57	2.32	**6.57**	1.46	1.05	1.57	**0.94**	**5.63**
Total (II)	**505.74**	**13.78**	**3.19**	**516.33**	**153.56**	**43.54**	**2.35**	**194.75**	**321.58**
Grand Total (I+II)	**2,194.19**	**101.33**	**49.99**	**2,245.53**	**516.37**	**142.51**	**26.71**	**632.17**	**1,613.36**

*** Material Intangible Assets as on March 31, 2021:**

Asset Class	Carrying Value as at March 31, 2021 (Rs. Crores)	Remaining useful life as on March 31, 2021
Product-related Intangibles - Brands and Trademarks	293.46	3 years to 12 years

** Refer Note 51

\# Depreciation for the period ended March 31, 2021 includes depreciation amounting to Rs.9.12 Crores on assets used for Research and Development locations at Ennore and Mumbai.

\+ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

@ These land and buildings were acquired, pursuant to Business Transfer Agreement between the Company and Piramal Enterprises Limited (PEL) (refer note 51).The Company has completed the process of transferring title deeds in it's name during the current year ended March 31,2022.

Description of item of property	Gross carrying value (Rs. Crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold land located at Ennore admeasuring 75.38 Acres with the buildings appurtenant thereto	23.78	PEL	Promoter	October 06, 2020	Land parcels along with the buildings appurtenant thereto acquired pursuant to Business Transfer Agreement dated June 26, 2020 between the Company and Piramal Enterprises Limited is yet to be registered in the name of the Company.
Freehold land located at Digwal/Hyderabad admeasuring 87.00 Acres & 47 Guntas with the buildings appurtenant thereto	90.52	PEL	Promoter	October 06, 2020	

Considering internal and external sources of information, the Company 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 Company 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) an 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 these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Company's best estimate of the recoverable amounts.

Refer Note 36B(a) for the contractual capital commitments for purchase of Property, Plant & Equipment.

There has been no revaluation of Property, Plant and Equipment (PPE) and Intangibles during the year ended March 31,2021

Refer note 54 and 55 for ageing of Capital Work in Progress and Intangible Assets under development

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4. Investments

Investments - Non Current:

	Particulars	As at March 31, 2022 (Rs. in Crores)		As at March 31, 2021 (Rs. in Crores)	
	Investments in Equity Instruments (fully paid up, unless otherwise stated):				
A.	**In Subsidiaries (Unquoted) - At cost:**				
i.	Piramal Healthcare Inc.				
	Equity Contribution	55.67		55.67	
	Capital Contribution (Guarantee)	30.77	86.44	30.77	86.44
ii.	Piramal Dutch Holdings N.V.		1,390.54		1,390.54
iii.	Piramal Healthcare UK Limited (Capital Contribution - Guarantee)		1.06		1.06
iv.	Piramal Healthcare Canada Limited(Capital Contribution - Guarantee)		2.21		2.21
v.	PEL Pharma Inc.		6.54		6.54
vi.	Convergence Chemicals Private Limited (CCPL)@		100.81		100.81
vii.	Hemmo Pharmaceuticals Private Limited *		903.99		-
			2,491.59		**1,587.60**
B.	**In Associates :** **Unquoted - At Cost:**				
i.	Allergan India Private Limited		3.92		3.92
ii.	Yapan Bio Private Limited (Face Value of Rs. 10 each) **		101.77		-
			105.69		**3.92**
	Non Current Investments		**2,597.28**		**1,591.52**

*On June 22, 2021, the Company completed the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') pursuant to an agreement entered on March 31, 2021 for an upfront cash consideration of Rs. 775 crores and earn-outs linked to achievement of milestones. The Company has completed the purchase price allocation of the assets/liabilities acquired and consequently, measurement period changes have been adjusted to the above investment. Balance consideration payable is Rs 89.91 crores.

** On December 20, 2021, the Company acquired 27.78% stake in Yapan Bio Private Limited ('Yapan') for a consideration of Rs. 101.77 Crores.

@ CCPL was joint venture between the Company and Navin Flourine International Limited upto February 24,2021 having carrying value of Rs. 35.71 Crores as on that date. On February 24,2021 ,the Company has acquired balance 49% stake held by Navin Flourine International Limited in CCPL for a cash consideration of Rs. 65.10 Crores. Post this acquisition, CCPL is a wholly owned subsidiary of the Company.

Investments - Current:

	Particulars	As at March 31, 2022 Quantity	As at March 31, 2022 Amount (Rs. in Crores)	As at March 31, 2021 Quantity	As at March 31, 2021 Amount (Rs. in Crores)
i.	Investment in Mutual Funds (Quoted) - at FVTPL				
	Kotak Overnight Fund Growth - Direct	1,94,100	22.01	-	-
	UTI Overnight Fund - Direct Growth Plan Growth	51,550	15.00	-	-
	Current Investments		**37.01**	-	-

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	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
5. LOANS - NON-CURRENT		
Loans (Unsecured And Considered Good)		
Loans to related parties (refer Note 38)	791.65	613.81
TOTAL	**791.65**	**613.81**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in a Party (Ultimate Beneficiaries) identified by or on behalf of the Company. Further, there are no funds received from any Party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities ("Ultimate Beneficiaries") identified by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

6. OTHER FINANCIAL ASSETS - NON-CURRENT

Security Deposits	14.15	10.75
TOTAL	**14.15**	**10.75**

7. OTHER NON-CURRENT ASSETS

Advance tax (Net of provision for tax of Rs. 1.05 Crores)	6.61	-
Capital Advances	1.83	1.43
Advances recoverable	24.23	23.85
TOTAL	**32.67**	**25.28**

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	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
8. INVENTORIES		
Raw and Packing Materials [Includes in transit of Rs. Nil (Previous Year Rs. 0.24 Crores)]	233.21	213.43
Work-in-Progress	196.18	145.39
Finished Goods	15.75	34.65
Stock-in-trade	0.01	1.73
Stores and Spares	36.13	25.68
TOTAL	**481.28**	**420.88**

Note:

1. The cost of inventories recognised as an expense during the year was Rs. 1,537.18 Crores. (Previous year Rs. 1,275.27 Crores)

2. The cost of inventories recognised as an expense includes credit of Rs. 0.07 Crores (Previous Year Rs. 0.37 Crores) in respect of write downs of inventory to net realisable value and expense of Rs. 0.30 Crores (Previous year Rs. 13.60 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.

3. Refer note 2(a)(ix) for policy for valuation of inventories.

4. Refer note 21 for inventories hypothecated as security against borrowings.

		As at March 31, 2022 Rs. in Crores		As at March 31, 2021 Rs. in Crores
9. TRADE RECEIVABLES				
Unsecured				
(a) Considered Good	949.50		841.48	
Less: Expected Credit Loss on (a)	(1.85)	947.65	(1.73)	839.75
(b) Considered Doubtful	25.42		22.90	
Less: Expected Credit Loss on (b)	(25.42)	-	(22.90)	-
TOTAL		**947.65**		**839.75**

The credit period on sale of goods generally ranges from 7 to 150 days.

The Company has a Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the Company 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.

Of the Trade Receivables balance as at March 31, 2022 of Rs. 947.65 Crores, (Previous year Rs. 839.75 Crores) the top 3 customers of the Company represent the balance of Rs. 353.50 Crores (Previous year Rs. 303.88 Crores) as at March 31, 2022. There was one customer (Previous year Three) who represents more than 5% of total balance of Trade Receivables.

The Company 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 considering emerging situations due to COVID-19 based on external sources of information. The Company has concluded that the carrying amount of the trade receivables represent the Company'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 rates as given in the provision matrix. The provision matrix at the end of the reporting period is as under:

Ageing	Expected credit loss (%) - For external customers
Less than 365 days	0.30%
More than 365 days	100.00%

(Rs. in Crores)

Ageing of Expected credit loss	As at March 31, 2022	As at March 31, 2021
Within due date	1.42	1.43
After Due date	25.85	23.20
Total	27.27	24.63

(Rs. in Crores)

Movement in Expected Credit Loss Allowance:	For the year ended March 31, 2022	Period ended March 31, 2021
Balance at the beginning of the period	24.63	14.06
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	2.64	10.57
Balance at the end of the period	**27.27**	**24.63**

For ageing of trade receivables, refer Note 52

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Notes to financial statements for the year ended March 31, 2022

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
10. CASH AND CASH EQUIVALENTS		
- Cash and Cash equivalents		
i. Balance with Banks :		
- Current Accounts	84.60	146.62
ii. Cash on Hand	0.05	0.11
TOTAL	**84.65**	**146.73**
11. OTHER BANK BALANCES		
Margin Money	5.62	5.62
TOTAL	**5.62**	**5.62**
12. LOANS - CURRENT (Unsecured and Considered Good)		
AT AMORTISED COST :		
Loans Receivables from Related Parties (refer note 38)	47.32	10.60
TOTAL	**47.32**	**10.60**
13. OTHER FINANCIAL ASSETS - CURRENT		
Security Deposits	2.98	4.69
Guarantee Commission receivable	0.44	0.32
Derivative Financial Assets	6.26	16.36
Unbilled revenues #	2.91	21.47
Other Receivables from Related Parties (refer note 38)	12.38	41.64
Interest Accrued	0.14	0.16
Others *	2.37	15.64
TOTAL	**27.48**	**100.28**

Classified as financial asset as right to consideration is unconditional upon passage of time.
* Previous year mainly includes insurance claim of Rs. 6.42 Crores toward fire at Ennore plant

14. OTHER CURRENT ASSETS		
Unsecured and Considered Good :		
- Advances	83.04	70.12
Balance with Government Authorities	228.95	161.50
Prepayments	13.97	7.69
Claims Receivable	1.52	4.33
TOTAL	**327.48**	**243.64**

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PIRAMAL PHARMA LIMITED MUMBAI

Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

	As at Mar 31,2022 Rs. in Crores	As at Mar 31,2021 Rs. in Crores
15. SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
1,50,00,00,000 equity shares of Rs. 10 each	1,500.00	1,500.00
10,00,00,000 compulsorily convertible preference shares of Rs. 10 each	100.00	100.00
	1,600.00	**1,600.00**
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
1,18,59,13,506 (previous year 99,46,02,064) equity shares of face value of Rs. 10 each fully paid.	1,185.91	994.60
TOTAL	**1,185.91**	**994.60**

(i) **Movement in Equity Share Capital**

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 No. of shares	As at March 31, 2021 Rs. in Crores
At the beginning of the year	99,46,02,064	994.60	10,000	0.01
Add: Issued during the period				
Rights Issue - Piramal Enterprises Limited	-	-	78,50,00,000	785.00
Preferential Issue - Piramal Enterprises Limited	96,57,423	9.65	1,06,71,651	10.67
Preferential Issue - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	39,88,262	3.99	19,89,20,413	198.92
Bonus Shares - Piramal Enterpries Limited	14,19,10,732	141.91	-	-
Bonus Shares - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	3,57,55,025	35.76	-	-
At the end of the period	**1,18,59,13,506**	**1,185.91**	**99,46,02,064**	**994.60**

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

Particulars	As at March 31, 2022 No. of shares	As at March 31, 2022 % Holding	As at March 31, 2021 No. of shares	As at March 31, 2021 % Holding
Piramal Enterprises Limited - Parent Company	94,72,49,806	79.88%	79,56,81,651	80.00%
CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	23,86,63,700	20.12%	19,89,20,413	20.00%

(iii) **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
Allotment of equity shares of face value of Rs.10 each as bonus shares to the existing shareholders in the ratio 5.674:1	2021-22	17,76,65,757
Allotment of 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) (Refer note 21).	2021-22	39,88,262
Allotment of equity shares of face value Rs.10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited.	2021-22	96,57,423
Allotment of equity shares of face value Rs.10 each fully paid-up in lieu of transfer of stake held by Piramal Enterprises Limited in Piramal Healthcare Inc. to the Company.	2020-21	1,06,71,651

(iv) **Terms and Rights attached to equity shares**

Equity Shares:

The Company has one class of equity shares having a face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend if declared 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.

(v) **Share Warrants:**

	Rs. in Crores
Balance as at March 04, 2020	-
Issued during the period (10,00,00,000 share warrants having face value Rs. 10/- each were issued to Piramal Enterprises Limited)	0.10
Balance as at March 31, 2021	**0.10**
Lapsed during the year	(0.10)
Balance as at March 31, 2022	-

(vi) **Shareholdings of Promoter**

Shares held by promoters at the end of the year as at March 31, 2022

Promoter Name	No. of shares	%of total shares	% Change during the year
Piramal Enterprises Limited	94,72,49,806	79.88%	0.12%

Shares held by promoters at the end of the year as at March 31, 2021

Promoter Name	No. of shares	%of total shares	% Change during the year
Piramal Enterprises Limited	79,56,81,651	80.00%	Not applicable

On November 10, 2021, interim dividend of Rs. 0.42 per equity share (Face value of Rs. 10/- each) amounting to Rs. 50 Crores was paid to holders of fully paid equity shares. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT) hence DDT is not applicable.

On May 24, 2022, final dividend of Rs. 0.56 per equity share (face value of Rs. 10/- each) amounting to Rs. 67 Crores has been recommended by the Board of Directors which is subject to approval of the shareholders.On May 24, 2022, final dividend of Rs. 0.56 per equity share (face value of Rs. 10/- each) amounting to Rs. 67 Crores has been recommended by the Board of Directors which is subject to approval of the shareholders.

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16. OTHER EQUITY	**As at March 31,2022 Rs. in Crores**	**As at March 31,2021 Rs. in Crores**
Capital Reserve (This reserve is an outcome of the Business transfer (Business combination) from Piramal Enterprises Limited (Holding Company) to the Company.)	(718.34)	(718.34)
Securities Premium (Securities Premium is on account of issue of equity shares. The reserve will be utilised in accordance with the provision of the Companies Act, 2013.)	3,725.18	3,249.49
Cash Flow Hedging Reserve (The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to 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 47(d)))	12.21	5.73
Retained Earnings (The retained earnings are the profits that the company has earned to date ,less any dividend or distributions paid to investors)	862.38	569.04
TOTAL	**3,881.43**	**3,105.92**

Note - Refer Statement of Changes in Equity for movement in reserve

17. BORROWINGS - NON CURRENT

Secured - at amortized cost				
(i) Term Loan from financial institution	248.46		-	
(ii) Redeemable Non Convertible Debenture	199.15	447.61	-	-
TOTAL		**447.61**		**-**

Terms of repayment, nature of security & rate of interest in case of Secured Loans
A. Term Loan from other than Banks -Rupee Loans *

(Rs. in Crores)

Nature of Security	**Terms of repayment**	**Principal Outstanding as at March 31, 2022 ***	**Principal Outstanding as at March 31, 2021**
First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets.	Repayable on May 31, 2023	500.00	-

The coupon rates for the above loans are 7.49% & 7.70% per annum.

*Including current portion

B. Redeemable Non Convertible Debentures *

(Rs. in Crores)

Nature of Security	**Particulars**	**Terms of repayment**	**Principal Outstanding as at March 31, 2022**	**Principal Outstanding as at March 31, 2021**
First pari- pasu charge over pool of selected tangible and intangible assets.	2000 (Previous Year: Nil) (Payable Annually) 7.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 each	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	-

* Company has not received any funds to lend or invest in other persons or entities on behalf of the Funding party.
The Company has utilised the borrowings (including current borrowings) for the purpose for which they were taken.

18. OTHER FINANCIAL LIABILITIES - NON-CURRENT

Contingent consideration Payable (Refer note 4)	0.40	-
TOTAL	**0.40**	**-**

19. NON-CURRENT PROVISIONS

Provision for employee benefits (Refer note 37)	10.74	6.59
TOTAL	**10.74**	**6.59**

20. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities/(Assets) on account of temporary differences :				
- Property, Plant and Equipment and Intangible Assets	166.49		167.25	
- Fair value measurement of derivative contracts	1.76		4.30	
- Recognition of lease rent expense	(0.14)		(0.07)	
- Remeasurement of defined benefit obligation	(0.72)		(0.82)	
- Expected Credit Loss on Trade Receivables	(0.99)		(0.24)	
- Debt EIR impact	0.58		-	
- Expenses that are allowed on payment basis	(9.44)		-	
Refer Note 49 for movement during the period		**157.54**		**170.42**

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Notes to financial statements for the year ended March 31, 2022

		As at March 31,2022 Rs. in Crores		As at March 31,2021 Rs. in Crores
21. BORROWINGS - CURRENT				
(a) Loans repayable on demand				
Secured - At Amortised Cost				
Loans from banks :				
- Working capital Demand Loan	200.03		30.00	
- Packing Credit Loan	190.18		60.20	
		390.21		90.20
Current maturity of long-term loans (refer note 17)		263.71		-
Unsecured				
Compulsory Convertible Preference Shares (CCPS) at Rs. 10 each #		-		75.00
TOTAL		**653.92**		**165.20**

Notes:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan*	At Call	4.50 % to 5.00 % pa
Packing Credit Loan**	At Call	4.50 % to 5.01 % pa

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

*** Working capital Demand Loan** (Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu charge over entire current assets of the company , both present and future	Repayable on September 9, 2022	30.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on September 2, 2022	30.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on August 5, 2022	35.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on August 1, 2022	20.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on July 27, 2022	25.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on June 8, 2022	30.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on June 6, 2022	30.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on May 24, 2021	-	30.00

**** Packing Credit Loan** (Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu charge over the company's Stocks & Receivables	Repayable on September 18, 2022	50.00	-
First pari-passu charge over the company's Stocks & Receivables	Repayable on September 12, 2022	50.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on June 24, 2022	40.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on June 10, 2022	50.00	-
First pari-passu charge over entire current assets of the company , both present and future	Repayable on May 4, 2021	-	60.20

\# CCPS shall compulsorily and mandatorily be converted into Equity Shares on October 6, 2021. Conversion price for CCPS shall be above the price determined in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time.
Dividend @ 0.00001% shall be payable to the investor at the end of the 15 month period from the date of issuance i.e. October 6, 2020.
Investor shall not have voting rights in respect of CCPS until the CCPS are fully converted.

Conversion of CCPS to Equity (Allotted to CA Alchemy Investments) : 7,50,00,000 CCPS were converted into equity shares on 1st October 2021. Pursuant to conversion of the CCPS, 39,88,262 equity shares of face value of Rs. 10 each were allotted to CA Alchemy Investments.

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Notes to financial statements for the year ended March 31, 2022

	As at March 31,2022 Rs. in Crores	As at March 31,2021 Rs. in Crores
22. OTHER FINANCIAL LIABILITIES - CURRENT		
Employee related liabilities	36.37	37.26
Payable to related party (Refer note 38 & 15)	1.61	592.00
Capital Creditors	2.25	1.73
Security Deposits Received	2.60	2.53
Other payables	20.75	-
Contingent Consideration Payable (Refer note 4)	89.51	-
TOTAL	**153.09**	**633.52**
23. OTHER CURRENT LIABILITIES		
Advances from Customers	26.37	33.25
Statutory Dues	8.10	3.91
Deferred Revenue	6.17	9.41
TOTAL	**40.64**	**46.57**
24. CURRENT PROVISIONS		
Provision for Employee Benefits (Refer note 37)	32.50	30.88
TOTAL	**32.50**	**30.88**
25. CURRENT TAX LIABILITIES (NET)		
Provision for Income Tax [Net of advance Tax of Rs.76.85 Crores (Previous year Rs.95.29 Crores)]	19.49	9.69
TOTAL	**19.49**	**9.69**

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Notes to Statement of Profit and Loss for the year ended March 31, 2022

		For the year ended March 31, 2022 Rs. in Crores		For the period March 04, 2020 To March 31, 2021 Rs. in Crores
26. REVENUE FROM OPERATIONS				
REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of products	2,677.15		2,477.52	
Sale of Services	300.42	2,977.57	422.23	2,899.75
Other operating revenues:				
-Miscellaneous Income *	117.38	117.38	39.06	39.06
TOTAL		**3,094.95**		**2,938.81**

* Previous year includes insurance claim of Rs.5.39 Crores in respect of Ennore fire.

Disaggregate Revenue Information

The table below presents disaggregated revenues from contracts with customers by major product and timing of transfer of goods or services for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

(Rs. In Crores)

Revenue by product line/ timing of transfer of goods/ services	For the year ended March 31, 2022		For the period March 04, 2020 to March 31, 2021	
	At Point in time	Over time	At Point in time	Over time
Pharmaceuticals	1,935.20	300.42	1,950.32	422.23
Over the counter products	741.95	-	527.20	-
Total	**2,677.15**	**300.42**	**2,477.52**	**422.23**

Reconciliation of revenue recognised with the contract price

(Rs. In Crores)

Particulars	For the year ended March 31, 2022	For the period March 04, 2020 to March 31, 2021
Sale of products and services at transaction price	3,029.41	3,013.04
Less: Discounts	(51.84)	(113.29)
Revenue recognised on sale of products and services	**2,977.57**	**2,899.75**

27. OTHER INCOME

Interest Income on Financial Assets (at amortized costs)	28.38	20.70
Dividend Income		
- On Non-current Equity Instruments in Associates	90.66	124.54
Profit on Sale of Property Plant & Equipment (Net)	-	0.33
Profit on Sale of Investment (Net)	1.94	-
Other Gains & Losses:		
- Foreign Exchange Gain (Net)	37.20	37.10
Write back of liabilities no longer payable	60.13	6.74
Miscellaneous Income	5.28	8.56
TOTAL	**223.59**	**197.97**

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Notes to Statement of Profit and Loss for the year ended March 31, 2022

		For the year ended March 31, 2022 Rs. in Crores		For the period March 04, 2020 To March 31, 2021 Rs. in Crores
28. COST OF MATERIALS CONSUMED				
Balance acquired as at March 4, 2020 (refer note 51)		-		171.74
Opening Inventory as at April 01, 2021		213.43		
Add: Purchases		1,023.46		1,028.39
Less: Closing Inventory		233.21		213.43
TOTAL		**1,003.68**		**986.70**
29. PURCHASES OF STOCK-IN-TRADE				
Traded Goods		509.70		183.21
TOTAL		**509.70**		**183.21**
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
OPENING STOCKS :				
Work-in-Progress	145.39			
Finished Goods	34.65			
Stock-in-trade	1.73	181.77		
BALANCE ACQUIRED AS AT MARCH 4, 2020 (refer note 51) :				
Work-in-Progress	-		193.04	
Finished Goods	-		46.59	
Stock-in-trade	-	-	-	239.63
CLOSING STOCKS :				
Work-in-Progress	196.18		145.39	
Finished Goods	15.75		34.65	
Stock-in-trade	0.01	211.94	1.73	181.77
TOTAL		**(30.17)**		**57.86**
31. EMPLOYEE BENEFITS EXPENSE				
Salaries and Wages (Previous year include corporate Expense allocation pertaining to pharma business transferred to the Company of Rs. 25.92 Crores).		368.90	-	346.43
Contribution to Provident and Other Funds (Refer Note 37)		16.97		15.06
Gratuity Expenses (Refer Note 37)		3.67		5.54
Staff Welfare		35.76		28.12
TOTAL		**425.30**		**395.15**
32. FINANCE COSTS				
Finance Charge on financial liabilities measured at amortised cost		53.36		4.71
Other borrowing costs		0.19		-
TOTAL		**53.55**		**4.71**

Piramal Pharma Limited
Notes to Statement of Profit and Loss for the year ended March 31, 2022

		For the year ended March 31, 2022 Rs. in Crores		For the period March 04, 2020 To March 31, 2021 Rs. in Crores
33. OTHER EXPENSES				
Processing Charges		8.94		8.58
Consumption of Stores and Spares Parts		53.97		47.50
Consumption of Laboratory materials		48.56		44.83
Power, Fuel and Water Charges		68.97		68.08
Repairs and Maintenance				
Buildings	26.63		16.71	
Plant and Machinery	38.97		33.79	
Others	0.32	65.92	0.04	50.54
Rent				
Premises	0.41		4.90	
Other Assets	9.20	9.61	6.10	11.00
Rates & Taxes		40.09		15.57
Insurance		17.37		13.02
Travelling Expenses		19.75		15.40
Directors' Commission		0.72		0.45
Directors' Sitting Fees		0.28		0.03
Expected Credit Loss on Trade Receivables		2.64		10.57
Loss due to fire		-		5.74
Loss on Sale of Property Plant & Equipment (Net)		0.91		-
Advertisement and Business Promotion Expenses		122.94		85.53
Donations		8.63		1.49
Freight		52.50		42.10
Export Expenses		1.18		2.25
Clearing and Forwarding Expenses		0.25		5.74
Communication and Postage		4.93		5.96
Printing and Stationery		4.80		4.56
Claims		-		3.99
Legal Charges		1.78		1.70
Professional Charges		36.70		29.18
Royalty Expense		15.20		26.26
Service Charges (Previous year include corporate Expense allocation pertaining to pharma business transferred to the Company Rs. 27.43 Crores)		94.83		101.29
Information Technology Costs		19.76		7.05
R & D Expenses (net)		61.94		69.14
Miscellaneous Expenses		25.97		19.41
TOTAL		**789.14**		**696.96**

Note:
Details in respect of Corporate Social Responsibility Expenditure:
- Gross amount required to be spent during the year - Rs.6.02 Crores (Previous year: Rs. Nil)
- Amount of expenditure incurred Rs.6.30 Crores (Previous year: - Rs. Nil)
- Shortfall at the end of the year Rs.Nil (Previous year: - Nil)
- Total of previous years shortfall Rs.Nil (Previous year :Nil)
- Reason for shortfall - Not Appicable
- Nature of CSR activities - Education programme in Districts of Jharkhand, Chhattisgarh, Uttarakhand, Odisha, Andhra Pradesh, Karnataka, Kerela,Tamil Nadu and Telangana.
- Details of related party transactions - Nil
- Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. - Not Applicable

Piramal Pharma Limited
Notes to Statement of Profit and Loss for the year ended March 31, 2022

	For the year ended March 31, 2022 Rs. in Crores	For the period March 04, 2020 To March 31, 2021 Rs. in Crores
34. Exceptional Items		
Transaction cost related to acquisition of Subsidiary	(12.47)	-
Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center	-	(37.43)
Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	-	100.85
Certain transaction cost related to business combination (refer note 51)	-	(45.19)
TOTAL	**(12.47)**	**18.23**
35. OTHER COMPREHENSIVE INCOME / (LOSS) (NET OF TAXES)		
Remeasurement of post-employment benefit obligations	0.29	(2.46)
Deferred gains on cash flow hedge	6.48	5.73
TOTAL	**6.77**	**3.27**

DELOITTE HASKINS & SELLS LLP MUMBAI ★

PIRAMAL PHARMA LIMITED MUMBAI ★

PIRAMAL PHARMA LIMITED
Notes to financial statements for year ended March 31, 2022

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
36 Contingent Liabilities and Commitments		
A Contingent Liabilities :		
i. Appeals filed in respect of disputed demands:		
Sales Tax	1.06	1.06
Central / State Excise / Service Tax / Custom	23.76	13.38
Labour Matters	1.56	1.10
Stamp Duty	-	9.37
Claim by third party against the company not acknowledge as debt	11.86	3.00
Note: Future cash outflows in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
ii. Unexpired Letters of Credit	2.36	0.28
B Commitments :		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	32.99	34.07
b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	28.38	12.96

Refer note 38.3 for performance guarantees

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PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

37 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 Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Defined Contribution plans:
The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

Post-employment benefit plans:
Gratuity for employees in India is 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 gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

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

In case of certain employees, 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.

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

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

Interest risk

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

Longevity risk

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

Salary risk

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

The gratuity plan is a funded plan and the Company makes contributions to trust administered by the Company. The Company 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 Company. 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 Company 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 Company 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.

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

(Rs. in Crores)

Particulars	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Employer's contribution to Regional Provident Fund Office	1.64	0.79
Employer's contribution to Superannuation Fund	0.20	0.08
Employer's contribution to Employees' State Insurance	0.42	0.21
Employer's contribution to Employees' Pension Scheme 1995	4.85	2.24
Employer's contribution to National Pension Scheme	0.75	0.32

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 31 & 33)
The amounts mentioned above excludes charge to Statement of Profit and Loss on account of common control acquisition.

PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

II. Disclosures for defined benefit plans based on actuarial valuation reports:

A. Change in Defined Benefit Obligation

(Rs. in Crores)

Particulars	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2022		Period Ended March 31, 2021	
Present Value of Defined Benefit Obligation as at beginning of the period	51.28	12.99	-	-
Interest Cost	3.33	5.23	1.41	0.23
Current Service Cost	4.27	10.15	1.02	4.72
Past Contributions from employer			-	-
Contributions from plan participants	-	16.81	-	8.14
Liability Transferred In for Employees Joined	-	118.82	46.63	-
Benefits Paid from the fund	(5.36)	(0.88)	-	-
Return on Plan Assets, Excluding Interest Income	-	6.89		
Actuarial (Gains)/loss - due to change in Demographic Assumptions	-	-	(0.39)	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	(1.34)	-	0.22	-
Actuarial (Gains)/loss - due to experience adjustments	0.62	-	2.39	(0.10)
Present Value of Defined Benefit Obligation as at the end of the period	**52.80**	**170.01**	**51.28**	**12.99**

B. Changes in the Fair Value of Plan Assets

(Rs. in Crores)

Particulars	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2022		Period Ended March 31, 2021	
Fair Value of Plan Assets as at beginning of the period	46.98	12.99	-	-
Interest Income	3.05	5.23	1.41	0.23
Contributions from employer	-	26.96	-	12.86
Contributions from plan participants			-	-
Assets Transferred In for Employees joined	-	118.82	46.63	-
Assets Transferred out for Employees left			-	-
Benefits Paid from the fund	(5.36)	(0.88)	-	-
Return on Plan Assets, Excluding Interest Income	(0.33)	6.89	(1.06)	(0.10)
Fair Value of Plan Assets as at the end of the period	**44.34**	**170.01**	**46.98**	**12.99**

C. Amount recognised in the Balance Sheet

(Rs. in Crores)

Particulars	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2022		Period Ended March 31, 2021	
Present Value of Defined Benefit Obligation as at the end of the period	52.80	170.01	51.28	12.99
Fair Value of Plan Assets as at end of the period	44.34	170.01	46.98	12.99
Net Liability recognised in the Balance Sheet (Refer Note 19)	**8.46**	**-**	**4.30**	-
Recognised under:				
Non Current provision (Refer Note 19)	**8.46**	**-**	**4.30**	**-**

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

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

D. Expenses recognised in Statement of Profit and Loss

(Rs. in Crores)

Particulars	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2022		Period Ended March 31, 2021	
Current Service Cost	4.27	10.15	1.02	4.72
Net Interest Cost	0.28	-	-	
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**4.55**	**10.15**	**1.02**	**4.72**

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 31 and 33). The previous year however does not include charge on account of common control acquisition (refer note 51).

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Notes to financial statements for the year ended March 31, 2022

E. Expenses Recognized in the Other Comprehensive Income/(Losses) (OCI)

(Rs. in Crores)

Particulars	Gratuity	Gratuity
	Year Ended March 31, 2022	Period Ended March 31, 2021
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in demographic assumptions	-	(0.39)
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in financial assumptions	(1.34)	0.22
Actuarial (Gains)/Losses on Obligation for the Period - Due to experience adjustment	0.62	2.39
Return on Plan Assets, Excluding Interest Income	0.33	1.06
Net (Income)/Loss Recognized in OCI	**(0.39)**	**3.28**

F. Significant Actuarial Assumptions:

(%)

Particulars	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2022		Period Ended March 31, 2021	
Discount Rate (per annum)	6.84	6.84	6.49	6.49
Expected Rate of return on Plan Assets (per annum)	6.84	8.10	6.49	6.49
Salary escalation rate	9.50% for the next 1 year, 7.00% for the next 2 years, starting from the 2nd year 6.00% thereafter, starting from the 4th year	N.A.	9% for 3 years then 6%	N.A

The expected rate of return on plan assets is based on market expectations at the closing of the period. The rate of return on long-term government 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 Company. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

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

(Rs. in Crores)

Particulars	Gratuity	Gratuity
	As at March 31, 2022	As at March 31, 2021
Opening Net Liability	4.30	-
Expenses Recognized in Statement of Profit or Loss	4.55	1.02
Expenses Recognized in OCI	(0.39)	3.28
Net Liability Recognized in the Balance Sheet	**8.46**	**4.30**

H. Category of Assets

(Rs. in Crores)

Particulars	Gratuity	Provident Fund	Gratuity	Provident Fund
	As at March 31, 2022		As at March 31, 2021	
Government of India Assets (Central & State)	18.05	79.76	21.43	5.96
Public Sector Unit Bonds	-		-	-
Corporate Bonds	14.74	64.67	17.82	4.07
Fixed Deposits under Special Deposit Schemes of Central Government*	7.23	-	2.81	-
Equity Shares of Listed Entities / Mutual Funds	4.32	6.25	4.92	0.55
Others*	-	19.33	-	2.41
Total	**44.34**	**170.01**	**46.98**	**12.99**

* Except these, all the other investments are quoted.

I. Other Details

Particulars	Gratuity	Gratuity
	As at March 31, 2022	As at March 31, 2021
No of Active Members	3,598	3,505
Per Month Salary For Active Members (Rs. in Crores)	11.20	10.07
Average Expected Future Service (Years)	7.00	7.00
Projected Benefit Obligation (PBO) (Rs. in Crores)	52.81	51.28
Prescribed Contribution For Next Year (12 Months) (Rs. in Crores)	11.20	8.57

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Notes to financial statements for the year ended March 31, 2022

J. Cash Flow Projection: From the Fund

(Rs. in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	Gratuity
	Estimated for year ended March 31, 2022	Estimated for period ended March 31, 2021
1st Following Year	5.62	5.78
2nd Following Year	4.40	3.77
3rd Following Year	5.40	4.66
4th Following Year	6.11	5.03
5th Following Year	5.55	5.72
Sum of Years 6 To 10	27.07	25.45

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

In case of certain employees, 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 8 years.

K. Sensitivity Analysis

(Rs. in Crores)

Projected Benefit Obligation	Gratuity	Gratuity
	As at March 31, 2022	As at March 31, 2021
Impact of +1% Change in Rate of Discounting	(2.95)	(3.38)
Impact of -1% Change in Rate of Discounting	3.29	3.35
Impact of +1% Change in Rate of Salary Increase	3.27	3.36
Impact of -1% Change in Rate of Salary Increase	(2.98)	(3.00)
Impact of +1% Change in Rate of Employee Turnover	0.06	(0.05)
Impact of -1% Change in Rate of Employee Turnover	(0.08)	0.04

The above sensitivity analysis 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

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 Leave Encashment (Non – Funded) as at March 31,2022 is Rs. 32.04 Crores.(Previous year Rs. 30.39 crores)

The liability for Long term Service Awards (Non – Funded) as at March 31,2022 is Rs. 2.72 Crores.(Previous year Rs. 2.76 crores)

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Notes to financial statements for the year ended March 31, 2022

38 Related Party Disclosures

1. List of related parties

A. Holding Company
Piramal Enterprises Limited (PEL)

B. Fellow Subsidiaries *
PHL Fininvest Private Limited
Piramal Asset Management Private Limited
Piramal Capital & Housing Finance Limited
Piramal Holdings (Suisse) SA

C. Subsidiaries
The Subsidiary companies including step down subsidiaries as on March 31, 2022

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2022	Proportion of Ownership interest held as at March 31, 2021
Piramal Critical Care Italia, S.P.A**	Italy	100%	100%
Piramal Critical Care Deutschland GmbH**	Germany	100%	100%
Piramal Critical Care Limited **	U.K.	100%	100%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	100%	100%
Piramal Critical Care B.V. **	Netherlands	100%	100%
Piramal Pharma Solutions B.V. **	Netherlands	100%	100%
Piramal Critical Care Pty. Ltd. **	Australia	100%	100%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	100%	100%
Piramal Healthcare Pension Trustees Limited**	U.K.	100%	100%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%	100%
Piramal Dutch Holdings N.V.	Netherlands	100%	100%
Piramal Healthcare Inc. @	U.S.A	100%	100%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	100%	100%
Piramal Pharma Inc.**	U.S.A	100%	100%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%	100%
PEL Pharma Inc.@	U.S.A	100%	100%
PEL Healthcare LLC** (w.e.f June 26, 2020)	U.S.A	100%	100%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%	100%
Convergence Chemicals Private Limited (Convergence) (w.e.f. February 25, 2021)	India	100%	100%
Hemmo Pharmaceuticals Private Limited (w.e.f June 22, 2021)	India	100%	NA
Piramal Pharma Japan GK (w.e.f November 21, 2021)**	Japan	100%	NA

** held through Piramal Dutch Holdings N.V.
@ 10% held through PPL and 90% held through Piramal Dutch Holdings N.V.

C. Associates

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2022	% voting power held as at March 31, 2021
Allergan India Private Limited (Allergan)	India	49.00%	49.00%
Yapan Bio Private Limited (Yapan) (w.e.f. December 20, 2021)	India	27.78%	NA

D. Other related parties *

Entities Controlled by Key Management Personnel :
Piramal Corporate Services Private Limited (PCSL)
Piramal Glass Limited (PGL)
PGP Glass Private Limited (w.e.f. March 30, 2021)

Employee Benefit Trusts :
Piramal Pharma Ltd Employees PF trust (PPFT)

E. Key Management Personnel (KMP)
Mr. Peter De Young
Ms. Nandini Piramal
Mr. Vivek Valsaraj (w.e.f February 9, 2022)

F. Non Executive/Independent Directors
Mr. S. Ramadorai
Mr. Sridhar Gorthi (w.e.f March 30, 2022)
Mr. Jairaj Manohar Purandare
Mr. Neeraj Bharadwaj
Mr. Peter Andrew Stevenson (w.e.f March 30, 2022)
Mr. Rajesh Laddha (upto February 10, 2022)

* where there are transactions during the current period or previous period

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Notes to financial statements for the year ended March 31, 2022

2. Details of transactions with related parties.

(Rs. in Crores)

Details of Transactions	Holding Company		Fellow Subsidiaries		Subsidiaries		Joint Venture		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Purchase of Goods														
- PGL	-	-	-	-	-	-	-	-	-	-	-	4.65	-	4.65
- PCCI	-	-	-	-	17.46	21.60	-	-	-	-	-	-	17.46	21.60
- Piramal Healthcare UK	-	-	-	-	0.49	(0.09)	-	-	-	-	-	-	0.49	(0.09)
- Hemmo Pharmaceuticals Private Limited	-	-	-	-	*	-	-	-	-	-	-	-	*	-
- Piramal Healthcare, Canada	-	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04
- PEL	-	49.80	-	-	-	-	-	-	-	-	-	-	-	49.80
TOTAL	-	49.80	-	-	17.95	21.55	-	-	-	-	-	4.65	17.95	76.00
Sale of Goods														
- Allergan	-	-	-	-	-	-	-	-	66.06	60.22	-	-	66.06	60.22
- Piramal Healthcare UK	-	-	-	-	17.52	15.73	-	-	-	-	-	-	17.52	15.73
- PCCI	-	-	-	-	90.00	103.14	-	-	-	-	-	-	90.00	103.14
- Piramal Healthcare, Canada	-	-	-	-	2.22	14.23	-	-	-	-	-	-	2.22	14.23
- Piramal Critical Care Limited	-	-	-	-	3.71	1.90	-	-	-	-	-	-	3.71	1.90
- Piramal Critical Care BV	-	-	-	-	16.07	17.60	-	-	-	-	-	-	16.07	17.60
- Ash Stevens	-	-	-	-	0.95	0.45	-	-	-	-	-	-	0.95	0.45
- PEL	925.96	373.27	-	-	-	-	-	-	-	-	-	-	925.96	373.27
TOTAL	925.96	373.27	-	-	130.47	153.05	-	-	66.06	60.22	-	-	1,122.49	586.54
Rendering of Services														
- Piramal Healthcare UK	-	-	-	-	-	32.18	-	-	-	-	-	-	-	32.18
- PHL Fininvest	-	-	0.60	-	-	-	-	-	-	-	-	-	0.60	-
- Piramal Asset Management Private Limited	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13	-
- Piramal Capital & Housing Finance Limited	-	-	0.17	-	-	-	-	-	-	-	-	-	0.17	-
- PGP Glass Private Limited	-	-	-	-	-	-	-	-	-	-	0.05	-	0.05	-
- Piramal Healthcare, Canada	-	-	-	-	3.32	-	-	-	-	-	-	-	3.32	-
- Ash Stevens	-	-	-	-	5.08	0.01	-	-	-	-	-	-	5.08	0.01
TOTAL	-	-	0.90	-	8.40	32.19	-	-	-	-	0.05	-	9.35	32.19
Dividend Received														
- Allergan	-	-	-	-	-	-	-	-	90.65	124.54	-	-	90.65	124.54
TOTAL	-	-	-	-	-	-	-	-	90.65	124.54	-	-	90.65	124.54
Dividend Paid														
- Piramal Enterprises Limited	39.94	-	-	-	-	-	-	-	-	-	-	-	39.94	-
TOTAL	39.94	-	-	-	-	-	-	-	-	-	-	-	39.94	-
Guarantee commission income														
- Piramal Healthcare UK	-	-	-	-	0.51	0.47	-	-	-	-	-	-	0.51	0.47
- Convergence	-	-	-	-	0.09	-	-	-	-	-	-	-	0.09	-
- Piramal Critical Care Limited	-	-	-	-	0.27	0.01	-	-	-	-	-	-	0.27	0.01
TOTAL	-	-	-	-	0.87	0.48	-	-	-	-	-	-	0.87	0.48
Receiving of Services														
- Piramal Pharma Inc.	-	-	-	-	-	9.95	-	-	-	-	-	-	-	9.95
- Piramal Healthcare UK	-	-	-	-	12.50	13.73	-	-	-	-	-	-	12.50	13.73
- Hemmo Pharmaceuticals Private Limited	-	-	-	-	0.04	-	-	-	-	-	-	-	0.04	-
- Piramal Critical Care Inc	-	-	-	-	1.28	-	-	-	-	-	-	-	1.28	-
- Ash Stevens	-	-	-	-	34.41	25.99	-	-	-	-	-	-	34.41	25.99
- PEL	56.87	24.90	-	-	-	-	-	-	-	-	-	-	56.87	24.90
TOTAL	56.87	24.90	-	-	48.23	49.67	-	-	-	-	-	-	105.10	74.57

Details of Transactions	Holding company		Fellow subsidiaries		Subsidiaries		Joint Venture		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Royalty Expense														
- PCSL	-	-	-	-	-	-	-	-	-	-	17.07	5.09	17.07	5.09
TOTAL	-	-	-	-	-	-	-	-	-	-	17.07	5.09	17.07	5.09
Rent Income														
- PHL Fininvest	-	-	2.53	1.55	-	-	-	-	-	-	-	-	2.53	1.55
- Piramal Asset Management Private Limited	-	-	0.26	-	-	-	-	-	-	-	-	-	0.26	-
TOTAL	-	-	2.79	1.55	-	-	-	-	-	-	-	-	2.79	1.55
Reimbursement of expenses paid														
- PEL	81.03	43.70	-	-	-	-	-	-	-	-	-	-	81.03	43.70
TOTAL	81.03	43.70	-	-	-	-	-	-	-	-	-	-	81.03	43.70
Purchase of Intangible														
- Piramal Holdings (Suisse) SA	-	-	0.62	-	-	-	-	-	-	-	-	-	0.62	-
TOTAL	-	-	0.62	-	-	-	-	-	-	-	-	-	0.62	-

Details of Transactions	Holding company		Fellow subsidiaries		Subsidiaries		Joint Venture		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Contribution to Funds														
- PPFT	-	-	-	-	-	-	-	-	-	-	26.96	-	26.96	-
TOTAL	-	-	-	-	-	-	-	-	-	-	26.96	-	26.96	-
Sale of Assets														
- Hemmo Pharmaceuticals Private Limited	-	-	-	-	1.41	-	-	-	-	-	-	-	1.41	-
TOTAL	-	-	-	-	1.41	-	-	-	-	-	-	-	1.41	-
Finance granted /(repayments) - Net (including loans and Equity contribution / Investments in cash or in kind)														
- Convergence		-	-	-	(7.25)	3.25	-	(5.00)	-	-	-	-	(7.25)	(1.75)
- Piramal Dutch Holdings N.V.		-	-	-	70.94	598.23	-	-	-	-	-	-	70.94	598.23
- Hemmo Pharmaceuticals Private Limited		-	-	-	20.99	-	-	-	-	-	-	-	20.99	-
- PEL Pharma Inc.		-	-	-	91.41	-	-	-	-	-	-	-	91.41	-
TOTAL	-	-	-	-	176.10	601.48	-	(5.00)	-	-	-	-	176.10	596.48

Details of Transactions	Holding company		Fellow subsidiaries		Subsidiaries		Joint Venture		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Interest Paid on Loans														
- PEL	-	0.07	-	-	-	-	-	-	-	-	-	-	-	0.07
TOTAL	-	0.07	-	-	-	-	-	-	-	-	-	-	-	0.07

Details of Transactions	Holding company		Fellow subsidiaries		Subsidiaries		Joint Venture		Associates		Other Related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Interest Received on Loans/Investments														
- Convergence	-	-	-	-	1.74	0.17	-	0.60	-	-	-	-	1.74	0.77
- Piramal Dutch Holdings N.V.	-	-	-	-	24.66	17.59	-	-	-	-	-	-	24.66	17.59
- PEL Pharma Inc	-	-	-	-	0.16	-	-	-	-	-	-	-	0.16	-
- Hemmo Pharmaceuticals Private Limited	-	-	-	-	1.36	-	-	-	-	-	-	-	1.36	-
TOTAL	-	-	-	-	27.92	17.76	-	0.60	-	-	-	-	27.92	18.36

On October 04, 2021, the Company has issued 141,910,732 equity shares as bonus shares to Piramal Enterprises Limited.

Interest rates charged to subsidiaries are made at market rates comparable with prevailing rates in the respective geographies. All other transactions were made on normal commercial terms and conditions and at market rates.
* Amount below rounding off norms adopted by Company

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Compensation of key managerial personnel
The remuneration of directors and other members of key managerial personnel during the period was as follows:

Rs. in crores

Particulars	2022	2021
Short-term employee benefits	8.46	1.00
Post-employment benefits	0.72	0.08
Other long-term benefits	-	-
Commission and other benefits to non-executive/independent directors	0.72	0.48
Total	**9.90**	**1.56**

Payments made to the directors and other members of key managerial personnel are approved by Board of Directors.

3. Balances of related parties.

Rs. in Crores

Account Balances	Holding company		Fellow subsidiaries		Subsidiaries		Joint Venture		Associate		Other related Parties		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Loans to related parties - Unsecured (at amortised cost)														
- Piramal Dutch Holdings N.V.	-	-	-	-	717.38	606.94	-	-	-	-	-	-	717.38	606.94
- PEL Pharma Inc.	-	-	-	-	91.10	-	-	-	-	-	-	-	91.10	-
- Hemmo Pharmaceuticals Private Limited	-	-	-	-	20.99	-	-	-	-	-	-	-	20.99	-
- Convergence	-	-	-	-	9.50	17.47	-	-	-	-	-	-	9.50	17.47
TOTAL	-	-	-	-	**838.97**	**624.41**	-	-	-	-	-	-	**838.97**	**624.41**
Other receivable from related party														
- Piramal Healthcare UK	-	-	-	-	0.09	0.36	-	-	-	-	-	-	0.09	0.36
- Piramal Healthcare LLC	-	-	-	-	-	1.07	-	-	-	-	-	-	-	1.07
- PHL Fininvest Private Limited	-	-	-	0.29	-	-	-	-	-	-	-	-	-	0.29
- Piramal Asset Management Private Limited	-	-	0.43	-	-	-	-	-	-	-	-	-	0.43	-
- Piramal Capital & Housing Finance Limited	-	-	0.20	-	-	-	-	-	-	-	-	-	0.20	-
- PGP Glass Private Limited	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
- PEL	11.67	39.92	-	-	-	-	-	-	-	-	-	-	11.67	39.92
TOTAL	**11.67**	**39.92**	**0.63**	**0.29**	**0.09**	**1.43**	-	-	-	-	**0.06**	-	**12.45**	**41.64**
Trade Receivables														
- Piramal Healthcare UK	-	-	-	-	35.52	46.51	-	-	-	-	-	-	35.52	46.51
- PCCI	-	-	-	-	8.65	8.58	-	-	-	-	-	-	8.65	8.58
- Piramal Critical Care Limited	-	-	-	-	-	22.09	-	-	-	-	-	-	-	22.09
- Piramal Critical Care BV	-	-	-	-	0.85	22.08	-	-	-	-	-	-	0.85	22.08
- Piramal Healthcare, Canada	-	-	-	-	2.63	0.36	-	-	-	-	-	-	2.63	0.36
- PEL	341.69	214.88	-	-	-	-	-	-	-	-	-	-	341.69	214.88
- Allergan	-	-	-	-	-	-	-	-	10.15	13.40	-	-	10.15	13.40
TOTAL	**341.69**	**214.88**	-	-	**47.65**	**99.62**	-	-	**10.15**	**13.40**	-	-	**399.49**	**327.90**
Advance to Vendor														
- PCC Inc.	-	-	-	-	-	3.80	-	-	-	-	-	-	-	3.80
TOTAL	-	-	-	-	-	**3.80**	-	-	-	-	-	-	-	**3.80**
Trade Payable														
- Piramal Pharma Inc.	-	-	-	-	0.18	0.17	-	-	-	-	-	-	0.18	0.17
- Piramal Healthcare UK	-	-	-	-	5.55	1.28	-	-	-	-	-	-	5.55	1.28
- PCCI	-	-	-	-	19.45	12.32	-	-	-	-	-	-	19.45	12.32
- PCSL	-	-	-	-	-	-	-	-	-	-	7.10	-	7.10	-
- Piramal Critical Care BV	-	-	-	-	0.98	-	-	-	-	-	-	-	0.98	-
- PGL	-	-	-	-	-	-	-	-	-	-	-	(0.06)	-	(0.06)
- Piramal Pharma Solutions Inc.	-	-	-	-	0.04	0.04	-	-	-	-	-	-	0.04	0.04
- Piramal Healthcare Inc.	-	-	-	-	0.02	-	-	-	-	-	-	-	0.02	-
- PEL Pharma Inc.	-	-	-	-	*	-	-	-	-	-	-	-	*	-
- PEL	76.11	128.24	-	-	-	-	-	-	-	-	-	-	76.11	128.24
- Ash Stevens	-	-	-	-	6.99	8.21	-	-	-	-	-	-	6.99	8.21
TOTAL	**76.11**	**128.24**	-	-	**33.21**	**22.02**	-	-	-	-	**7.10**	**(0.06)**	**116.42**	**150.20**
Guarantee Commission Receivable														
- Piramal Healthcare UK	-	-	-	-	0.20	0.31	-	-	-	-	-	-	0.20	0.31
- Convergence	-	-	-	-	0.01	-	-	-	-	-	-	-	0.01	-
- Piramal Critical Care Limited	-	-	-	-	0.17	0.01	-	-	-	-	-	-	0.17	0.01
TOTAL	-	-	-	-	**0.38**	**0.32**	-	-	-	-	-	-	**0.38**	**0.32**
Contingent Liabilities														
Guarantees Outstanding														
- Piramal Healthcare UK	-	-	-	-	454.79	438.69	-	-	-	-	-	-	454.79	438.69
- Piramal Critical Care Limited	-	-	-	-	54.20	-	-	-	-	-	-	-	54.20	-
TOTAL	-	-	-	-	**508.99**	**438.69**	-	-	-	-	-	-	**508.99**	**438.69**
Consideration Payable on account of Business Transfer (refer note 15 and note 51)														
- PEL	-	592.00	-	-	-	-	-	-	-	-	-	-	-	592.00
TOTAL	-	**592.00**	-	-	-	-	-	-	-	-	-	-	-	**592.00**

* Amount below rounding off norms adopted by Company

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39 In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same Annual Report and therefore, no separate disclosure on segment information is given in these financial statements.

40 Plant & Equipment, Brands and Trademarks, and Current Assets are mortgaged/hypothecated to the extent of Rs. 1,290.00 Crores (As on March 31, 2021 Rs. 90.02 Crores) as a security against secured borrowings as at March 31, 2022.

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(Rs. in Crores)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Miscellaneous Expenses in Note 33 includes Auditors' Remuneration in respect of:		
A) Statutory Auditors:		
a) Audit Fees	0.80	0.45
b) Other Services	0.57	*
C) Out of Pocket Expenses	-	0.02

* Amounts are below the rounding off norm adopted by the Company.

42 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

(Rs. in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount outstanding to suppliers registered under the MSMED act and remaining unpaid as at period end	47.65	26.61
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end.	0.04	10.09
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period.	157.47	180.57
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-	-
Interest due and payable towards suppliers registered under MSMED Act, for Payments already made	1.62	1.38
The amount of interest accrued and remaining unpaid at the end of accounting year	5.26	8.72

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

43 The Company has advanced loans to its subsidiary companies.

Principal amounts outstanding as at the period end were:

(Rs. in Crores)

Subsidiary Companies	As at March 31, 2022	As at March 31, 2021
Piramal Dutch Holdings N.V. (revalued at closing foreign exchange rate)	684.64	591.87
Convergence Chemicals Private Limited	9.50	16.75
Hemmo Pharmaceuticals Private Limited	20.99	-
PEL Pharma Inc (revalued at closing foreign exchange rate)	90.96	-

The maximum amounts due during the period were:

(Rs. in Crores)

Subsidiary Companies	For the year ended 31/03/2022	For the period March 04,2020 to March 31, 2021
Piramal Dutch Holdings N.V.	684.64	598.23
Convergence Chemicals Private Limited	16.75	16.75
Hemmo Pharmaceuticals Private Limited	35.00	-
PEL Pharma Inc	91.41	-

44 Earnings Per Share (EPS) – EPS is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the year ended 31/03/2022	For the period 04/03/2020 to 31/03/2021
1. Profit/ (Loss) after tax (Rs. in Crores)	343.05	571.50
2. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	1,17,88,85,044	62,76,19,257
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	1,17,88,85,044	62,76,19,257
4. Earnings Per Share - Basic attributable to Equity Shareholders (Rs.) (1/2)	2.91	9.11
5. Earnings Per Share - Diluted attributable to Equity Shareholders (Rs.)	2.91	9.11
6. Face value per share (Rs.)	10.00	10.00

17,76,65,757 equity shares were issued as bonus shares on October 04, 2021 to the existing shareholders in the ratio 5.674:1 and bonus shares have been considered for computation of total weighted average number of equity shares to determine the basic and diluted earnings per share as per INDAS 33.

EPS for previous period has been restated on account of issuance of bonus shares issued in current year in accordance with IND AS 33.

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45 (i) Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

Right-of-use assets
Movement during year ended March 31, 2022
(Rs. in crores)

Category of Asset	Opening as on April 1, 2021	Additions during 2021-22	Deductions during 2021-22	Depreciation for the year ended March 31,2022	Closing as on March 31, 2022
Building	8.18	3.90	0.93	2.59	8.56
Leasehold Land	5.27	-	-	0.07	5.20
Total	**13.45**	**3.90**	**0.93**	**2.66**	**13.76**

Lease liabilities as on March 31, 2022 9.85

Right-of-use assets
Movement during year ended March 31, 2021
(Rs. in crores)

Category of Asset	Balance acquired as at March 04, 2020	Additions during period March 04, 2020 To March 31, 2021	Deductions during period March 04, 2020 To March 31, 2021	Depreciation for the period March 04, 2020 To March 31, 2021	Closing as on March 31, 2021
Building	0.98	8.26	-	1.06	8.18
Leasehold Land	5.20	0.14	-	0.07	5.27
Total	**6.18**	**8.40**	**-**	**1.13**	**13.45**

Lease liabilities as on March 31, 2021 9.06

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

The statement of profit or loss shows the following amounts relating to leases

(Rs. in crores)

Particulars	For the year ended March 31, 2022	For the period ended March 31, 2021
Interest expense on lease liabilities (included in finance cost)	0.90	0.42
Expense relating to short-term leases (included in Other Expenses)	9.61	11.00

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2021 is 8.91%.

The bifurcation below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 and March 31, 2021 on an undiscounted basis:

(Rs. in crores)

Particulars	As at March 31, 2022	As at March 31, 2021
1 year	3.09	2.58
1-3 years	6.02	5.06
3-5 years	2.41	3.26
More than 5 years	0.19	-

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46 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in note 17 & 21 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term / short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

(Rs. in Crores)

	As at March 31, 2022	As at March 31, 2021
Equity	5,067.34	4,100.62
Total Equity	**5,067.34**	**4,100.62**
Borrowings - Non Current	447.61	-
Borrowings - Current	653.92	165.20
Total Debt	**1,101.53**	**165.20**
Cash & Cash equivalents	(84.65)	(146.73)
Net Debt	**1,016.88**	**18.47**
Debt/Equity Ratio	**0.20**	**0.00**

The terms of the secured borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Consolidated Net Debt to Consolidated Net Worth, Consolidated Net Debt to Consolidated EBITDA, Debt Service Coverage Ratio at Standalone level, Security Cover ratio. The Company is broadly in compliance with the said covenants.

47 Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.
The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.
The Senior Management along with a centralized treasury manages the liquidity and interest rate risk on the balance sheet.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk - Securities price risks	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Market risk - Interest rate	Short-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Credit risk	Trade receivables, investments and loans to related parties	The Senior Management assess the recoverability of investments and loans given to related parties on periodic basis and considered these balances good and fully recoverable. Refer note-9 for trade receivables

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Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

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 Senior Management along with centralized treasury is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

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

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Undrawn credit lines	200.13	452.94
	200.13	**452.94**

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.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered.

(Rs. in Crores)

Maturities of Financial Liabilities	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	693.34	483.20	-	-
Trade Payables	615.20	-	-	-
Lease liability	3.09	6.02	2.41	0.19
Other Financial Liabilities	2.25	-	-	-
	1,313.88	**489.22**	**2.41**	**0.19**

(Rs. in Crores)

Maturities of Financial Liabilities	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	165.44	-	-	-
Trade Payables	584.12	-	-	-
Lease liability	2.58	5.06	3.26	-
Other Financial Liabilities	633.52	-	-	-
	1,385.66	**5.06**	**3.26**	-

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The following table details the Company'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 Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(Rs. in Crores)

Maturities of Financial Assets	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Loans to related parties	81.58	815.34	-	-
Trade Receivables	974.92	-	-	-
	1,056.50	815.34	-	-

(Rs. in Crores)

Maturities of Financial Assets	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Loans to related parties	42.55	624.17	5.34	-
Trade Receivables	864.38	-	-	-
	906.93	624.17	5.34	-

In assessing whether the going concern assumption is appropriate, the Company has considered a range of factors relating to current and expected profitability, debt repayment schedule and potential sources of replacement financing. The Company has performed sensitivity analysis on such factors considered and based on current indicators of future economic conditions; there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Because of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions.

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as on March 31, 2022.

b. Interest Rate Risk Management

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Senior Management along with centralised treasury assess the interest rate risk run by it and provide appropriate guidelines to the treasury to manage the risk. The Senior Management along with centralised treasury reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The Senior Management along with centralised treasury reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	890.00	-
Fixed rate borrowings	200.00	90.20
	1,090.00	90.20

The sensitivity analysis below have been determined based on the exposure to interest rates for liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities 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 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, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2022 would decrease/increase by Rs 8.90 Crores for total borrowings (Previous year Nil) . This is attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates related to loans given had been 100 basis points higher/lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax)
as on March 31, 2022 would increase/decrease by Rs.8.06 Crores (Previous year Rs. 6.09 Crores). This is attributable to the Company's exposure to lendings at floating interest rates.

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c. Foreign Currency Risk Management

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company 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 effectiveness of the treasury function.
The Company 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

Firm commitment and highly probable forecast transaction	As at March 31, 2022		As at March 31, 2021	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
Forward contracts to sell USD / INR	130.00	1,007.25	113.00	848.02

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

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	0.43	2.43	0.03	0.14
CAD	7.30	44.15	7.45	43.24
EUR	4.58	38.60	6.66	57.13
GBP	0.78	7.71	0.53	5.39
SGD	0.08	0.43	0.15	0.80
USD	53.78	407.66	63.11	461.41

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade payables/(advance to supplier)		Trade payables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	*	0.02	*	0.01
CAD	*	(0.01)	*	0.03
CHF	(0.01)	(0.07)	0.03	0.20
EUR	0.13	1.12	1.10	9.42
GBP	0.20	1.94	0.49	4.92
THB	0.43	0.10	0.77	0.18
SEK	0.03	0.02	0.03	0.02
USD	13.56	102.75	24.25	177.27
NZD	0.03	*	*	*
JPY	4.16	0.26	0.23	0.02
SGD	*	*	*	*
AED	0.07	0.14	0.04	0.08

* Amounts are below the rounding off norms adopted by the Company

Currencies	As at March 31, 2022		As at March 31, 2021	
	Loan from Banks		Loan from Banks	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	8.23	60.20

Currencies	As at March 31, 2022			
	Loan & Interest Receivable from Related Parties		Current Account Balances Receivable /(Payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	103.02	780.47	0.02	0.14
GBP	2.00	19.92	-	-

Currencies	As at March 31, 2021			
	Loan & Interest Receivable from Related Parties		Current Account Balances Receivable /(Payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	83.01	606.94	0.24	1.75

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

Particulars		For the period ended March 31, 2022			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs.)	Impact on Profit or Loss before tax/Other Equity (pre-tax) for the period (in Rs. Crores)
USD	Increase by 5%**	156.80	13.56	3.79	54.29
USD	Decrease by 5%**	156.80	13.56	(3.79)	(54.29)
GBP	Increase by 5%**	2.78	0.20	4.97	1.28
GBP	Decrease by 5%**	2.78	0.20	(4.97)	(1.28)
EUR	Increase by 5%**	4.58	0.13	4.21	1.87
EUR	Decrease by 5%**	4.58	0.13	(4.21)	(1.87)

Particulars		For the period ended March 31, 2021			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs.)	Impact on Profit or Loss before tax/Other Equity (pre-tax) for the period (in Rs. Crores)
USD	Increase by 5%**	146.36	32.48	3.66	41.63
USD	Decrease by 5%**	146.36	32.48	(3.66)	(41.63)
GBP	Increase by 5%**	0.53	0.49	5.04	0.02
GBP	Decrease by 5%**	0.53	0.49	(5.04)	(0.02)
EUR	Increase by 5%**	6.66	1.10	4.29	2.38
EUR	Decrease by 5%**	6.66	1.10	(4.29)	(2.38)

** Holding all the other variables constant

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d. Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company'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 Company makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

For derivative contracts designated as hedge, the Company 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 Company 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 Company 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 Company designates only the spot rate in the hedging relationship.

The Company has a Board approved policy, adopted at group level 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 Company assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

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

The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the period ended March 31, 2022 and March 31, 2021:

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.	Highly probable forecast sales	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

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at March 31, 2022

(Rs. In Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the period recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffective-ness	Contracts novated from PEL to PPL	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

As at March 31, 2021

(Rs. In Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the period recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffective-ness	Contracts novated from PEL to PPL	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	11.30 (USD)	16.36	-	10.47	-	Not applicable	(4.30)	(0.44)	Revenue

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

(Rs. In Crores)

	As at March 31, 2022			
	Total	Less than 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	-	-

(Rs. In Crores)

	As at March 31, 2021			
	Total	Less than 1 year	1-5 years	Over 5 years
Foreign currency risk:				
Forward exchange contracts	11.30 (USD)	11.30 (USD)	-	-
Average INR:USD forward contract rate	77.11	77.11	-	-

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

(Rs. In Crores)

Movement in Cash flow hedge reserve for the period ended	31 March 2022 Gain/(Loss)	31 March 2021 Gain/(Loss)
Opening Balance	**5.73**	-
Effective portion of changes in fair value:		
Foreign exchange forward contracts	0.71	13.77
Tax on movements on reserves during the period	(0.18)	(3.30)
Contracts novated from Piramal Enterprises Limited	-	(5.53)
Tax on above during the period	-	1.23
Amount reclassified to profit or loss:		
Foreign exchange forward contracts	7.95	(0.59)
Tax on movements on reserves during the period	(2.00)	0.15
Closing balance as at the end of the period	**12.21**	**5.73**

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48 The Company conducts research and development to find new sustainable chemical routes for pharmaceutical products. The Company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients (API).

The Company has research and development centers in Mumbai, Ennore and Ahmedabad.

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad for the year are as follows:

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue Expenditure*	138.26	102.99
TOTAL	**138.26**	**102.99**
Capital Expenditure, Net		
Additions to Property Plant & Equipment	7.00	11.51
Additions to Intangibles under Development	8.74	6.91
TOTAL	**15.74**	**18.42**

*The amount included in Note 33 under R&D Expenses (net) does not include Rs. 86.82 crores. (Previous Year Rs.79.30 crores) relating to Ahmedabad locations.

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Notes to financial statements for the year ended March 31, 2022

49 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

(Rs.in Crores)

Particulars	For the year ended March 31, 2022	For the period 04/03/2020 to 31/03/2021
Current tax :		
In respect of the current period	96.34	104.98
	96.34	104.98
Deferred tax :		
In respect of the current period	(15.16)	10.30
	(15.16)	10.30
Total tax expense recognised	81.18	115.28

b) Tax (expense)/ benefits recognised in other comprehensive income

(Rs. in Crores)

Particulars	Year ended March 31, 2022	For the period 04/03/2020 to 31/03/2021
Current tax :		
Deferred tax :		
Fair value Remeasurement of hedging instruments entered into for cash flow hedges	(2.18)	(1.93)
Remeasurement of defined benefit obligation	(0.10)	0.82
Total tax expense recognised	(2.28)	(1.11)

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

(Rs. in Crores)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	11.29	1.13
Deferred tax liabilities	(168.83)	(171.55)
	(157.54)	(170.42)

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. 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 could be utilized.

d) Movement of Deferred Tax during the year ended March 31, 2022

(Rs. in Crores)

Particulars	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Expected Credit Loss on Trade Receivables	0.24	0.75	-	0.99
Fair value measurement of derivative contracts	(4.30)	4.72	(2.18)	(1.76)
Recognition of lease rent expense	0.07	0.07	-	0.14
Property, Plant and Equipment and Intangible Assets	(167.25)	0.76	-	(166.49)
Debt EIR impact	-	(0.58)	-	(0.58)
Expenses that are allowed on payment basis	-	9.44	-	9.44
Remeasurement of defined benefit obligation	0.82	-	(0.10)	0.72
Total	(170.42)	15.16	(2.28)	(157.54)

Movement of Deferred Tax during the period March 04, 2020 to March 31, 2021

(Rs. in Crores)

Particulars	Balance acquired as at March 04, 2020 under common control (refer note 51)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Expected Credit Loss on Trade Receivables	-	0.24	-	0.24
Fair value measurement of derivative contracts	-	(2.37)	(1.93)	(4.30)
Recognition of lease rent expense	-	0.07	-	0.07
Property, Plant and Equipment and Intangible Assets	(159.01)	(8.24)	-	(167.25)
Remeasurement of defined benefit obligation	-	-	0.82	0.82
Total	(159.01)	(10.30)	(1.11)	(170.42)

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e) The income tax expense for the period can be reconciled to the accounting profit as follows.

(Rs. in Crores)

Particulars	For the year ended March 31, 2022	For the period March 04, 2020 to March 31, 2021
Profit before tax	**424.23**	**686.78**
Profit recognised on account of common control acquisition (refer note 51)	-	282.02
Profit before tax	**424.23**	**404.76**
Income tax expense calculated at 25.17%	**106.78**	**101.88**
Effect of expenses that are not deductible in determining taxable profit	5.31	11.37
Effect of incomes which are exempt from tax	(22.82)	-
Others	(8.09)	2.03
Income tax expense recognised in statement of profit and loss	**81.18**	**115.28**

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50 Fair Value Measurement

a) **Financial Instruments by category (net of ECL provision) :**

(Rs. in Crores)

Particulars	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	37.01	-	-	-
Loans	-	838.97	-	624.41
Cash & Bank Balances	-	90.27	-	152.35
Trade Receivables	-	947.65	-	839.75
Other Financial Assets	6.26	35.37	16.36	94.67
	43.27	1,912.26	16.36	1,711.18
Financial liabilities				
Borrowings	-	1,101.53	-	165.20
Trade Payables	-	615.20	-	584.12
Other Financial Liabilities	-	163.34	-	642.58
	-	1,880.07	-	1,391.90

The Company considers that carrying amounts of financial assets and financial liabilities disclosed above approximate their fair values.

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.

(Rs. in Crores)

Financial Assets	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investment in Mutual Funds	i.	37.01	37.01	-	-	37.01
Other Financial Assets						
Derivative Financial Assets	ii.	6.26	-	6.26	-	6.26

(Rs. in Crores)

Financial Liabilities	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed						
Borrowings	iii	1,101.53	-	-	1,101.53	1,101.53

(Rs. in Crores)

Financial Assets	March 31, 2021					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Other Financial Assets						
Derivative Financial Assets	ii.	16.36	-	16.36	-	16.36

Notes :

i This includes mutual funds which are fair valued using quoted prices and closing NAV in the market.

ii This includes forward exchange contracts the fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date.

iii 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.

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51 During the previous year, The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had approved:
a. the Purchase of the pharmaceutical business ('Pharma Business') of the Holding Company 'Piramal Enterprises Limited', held by the Holding Company directly and through its wholly owned subsidiaries., by the Company.
b. issue of such number of securities of the company, representing 20% paid up share capital of the company on a fully diluted basis to CA Clover Intermediate II Investments (now known as CA Alchemy Investments) ("Carlyle"), an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group Inc for the strategic growth investment.

This transaction was successfully closed on October 6th, 2020 on receipt of requisite approvals. As a result, the Company received Rs.3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments.

In accordance with Appendix C to Ind AS 103, the purchase of pharma business being a common control transaction (transaction between a holding company (Piramal Enterprises Limited) and the Company), is accounted for at the carrying values and the financial information has been drawn up with effect from March 4, 2020, being the date of incorporation of the Company. The difference between the carrying value of the net assets of the Pharma Business and consideration paid has been recognised in Capital Reserve.

Particulars			**(Rs. In Crores)**
Assets			
Non-Current Assets			
-Property, Plant & Equipment		1,325.64	
-Capital Work in Progress		57.78	
-Intangible Assets		352.18	
-Intangible Assets Under Development		62.08	
-Right of Use Asset		6.18	1,803.86
Financial Assets:			
-Investments		1,526.42	
-Loans		24.51	
-Other Financial Assets		11.89	1,562.82
Other Non-Current Assets			35.92
Current Assets			
Inventories		458.22	
Financial Assets:			
-Trade Receivables		491.16	
-Other Financial Assets		36.31	
Other Current Assets		283.70	1,269.39
Total Assets	(I)		4,671.99
Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
Lease Liability			1.44
Provisions			62.43
Current Liabilities			
Financial Liabilities:			
-Trade payables		456.90	
-Other Financial Liabilities		31.51	
Other Current Liabilities		39.92	
Provisions		0.11	528.44
Total Liabilities	(II)		**592.31**
Net value of Assets and liabilities as on March 4, 2020(I-II)			4,079.68
Less : Consideration in the form of cash			(4,302.00)
Less : Consideration in the form of Share Capital issued (refer footnote to Statement of Cash flow)			(185.00)
Add : Securities Premium issued on shares above adjusted against capital reserve (refer footnote to Statement of Cash flow)			174.33
Less : Deferred tax liability on acquisition			(159.01)
Capital reserve on March 4, 2020		(A)	**(392.00)**
Less : Cash balance not taken over (including generated out of operations for the period from March 4, 2020 to October 5, 2020).		(B)	(326.34)
Capital reserve on October 5, 2020		**(A+B)**	**(718.34)**

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52 Trade Receivables ageing (#)

As at March 31, 2022

(Rs. in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables :							
Considered Good	741.41	194.53	11.57	1.92	-	0.07	949.50
Credit impaired	-	-	-	3.56	4.85	17.01	25.42
Total	**741.41**	**194.53**	**11.57**	**5.48**	**4.85**	**17.08**	**974.92**

As at March 31, 2021

(Rs. in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables :							
Considered Good	552.39	238.43	28.50	-	22.09	0.07	841.48
Credit impaired	-	-	1.11	5.01	9.23	7.52	22.87
Disputed Trade Receivables :							
Credit impaired		0.03					0.03
Total	**552.39**	**238.46**	**29.61**	**5.01**	**31.32**	**7.59**	**864.38**

Where due date has not been specified, ageing has been calculated basis transaction date.

53 Trade Payable Ageing

As at March 2022

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	34.87	12.34	0.20	-	0.24	47.65
(ii) Others	120.51	124.66	2.17	1.41	3.44	252.19
Total	**155.38**	**137.00**	**2.37**	**1.41**	**3.68**	**299.84**

As at March 2021

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	12.07	14.17	0.02	0.24	0.11	26.61
(ii) Others	124.47	55.20	2.06	0.87	2.54	185.14
Total	**136.54**	**69.37**	**2.08**	**1.11**	**2.65**	**211.75**

Accrued expenses amount to Rs. 315.36 Crores as at March 31,2022 (as at March 31,2021 - Rs. 372.37 Crores)

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54 Ageing for Capital work in-progress (CWIP)

i. Ageing for Capital work in-progress (CWIP) as at March 31, 2022

Rs. In Crores

Capital work in-progress (CWIP)	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	114.11	25.56	15.47	0.14	**155.28**

Ageing for Capital work in-progress (CWIP) as at March 31, 2021

Rs. In Crores

Capital work in-progress (CWIP)	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	55.93	22.11	1.17	0.13	**79.34**

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

As at March 31, 2022

Rs. In Crores

	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
	Projects in progress				
1.	Project 1	64.11	-	-	-
2.	Project 2	6.53	-	-	-
3.	Project 3	2.69	-	-	-
4.	Project 4	2.44	-	-	-
5.	Project 5	2.17	-	-	-
6.	Project 6	2.05	-	-	-
7.	Project 7	1.60	-	-	-
8.	Project 8	1.38	-	-	-
9.	Project 9	1.26	-	-	-
10.	Others	9.73	-	-	-

As at March 31, 2021

Rs. In Crores

	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
	Projects in progress				
1.	Project 1	-	30.44	-	-
2.	Project 2	3.52	-	-	-
3.	Project 3	3.01	-	-	-
4.	Project 4	1.83	-	-	-
5.	Project 5	1.48	-	-	-
6.	Project 6	1.44	-	-	-
7.	Project 7	1.32	-	-	-
8.	Project 8	1.03	-	-	-
9.	Project 9	1.00	-	-	-
10.	Others	10.24	1.69	-	-

PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

55 Ageing for Intangible Asset Under Development (IAUD)

i. Ageing for Intangible Assets under Development (IAUD) as at March 31, 2022

Rs. In Crores

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	12.01	8.58	6.55	22.68	49.82

Ageing for Intangible Assets under Development (IAUD) as at March 31, 2021

Rs. In Crores

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	11.15	7.53	11.35	11.63	41.66

ii. Project wise details of IAUD project whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2022

Rs. In Crores

Intangible Assets under Development (IAUD)	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				
1. Project 1	-	2.30	-	-
2. Project 2	0.53	-	-	-
3. Project 3	0.35	-	-	-
4. Project 4	0.20	-	-	-
5. Project 5	0.20	-	-	-
6. Others	0.99	-	-	-

As at March 31, 2021

Rs. In Crores

Intangible Assets under Development (IAUD)	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				
1. Project 1	-	-	1.93	-
2. Project 2	0.82	-	-	-
3. Project 3	0.53	-	-	-
4. Project 4	-	0.29	-	-
5. Project 5	0.28	-	-	-
6. Others	1.35	0.22	-	-

56 Ratios

The ratios for the year ended March 31,2022 and March 31,2021 are as follows:

Sr No.	Particulars	Numerator	Denominator	For the year April 01, 2021 To March 31, 2022	For the period March 04, 2020 To March 31, 2021	Variance
				Audited	Audited	
i	Current Ratio	Current Assets	Current Liabilities	1.29	1.20	7.5%
ii	Debt Equity Ratio*	Total Debt	Total Equity	0.22	0.04	439.6%
iii	Debt Service Coverage Ratio*	Profit before Interest, Tax and Exceptional items	Interest Expense on long term debt+ Principal Repayment of long term Debt	11.32	-	100.0%
iv	Return on Equity	Net Profit after tax	Average Shareholders Equity	7.5%	13.9%	-6.4%
v	Inventory Turnover Ratio	Cost of goods sold	Average inventory	111.01	134.72	-17.6%
vi	Trade Receivables Turnover Ratio	Sales of Products and Services	Average Trade Receivable	109.55	112.30	-2.4%
vii	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	142.76	189.47	-24.7%
viii	Net capital turnover Ratio*	Sales of Products and Services	Working Capital (1)	2.72	6.37	-57.4%
ix	Net profit Ratio	Profit after tax before exceptional items	Revenue from operations	11.5%	18.8%	-7.3%
x	Return on Capital Employed	Earnings Before Interest and Taxes	Capital Employed (2)	7.3%	14.1%	-6.8%
xi	Return on Investment	Income generated from investments	Closing Investment	3.2%	7.8%	-4.6%

* The variance is due to borrowings during the current year.

(1) Working Capital excludes current borrowings

(2) Tangible Net Worth + Total Debt + Deferred Tax Liability

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PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

57 The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

58 The Company 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.

59 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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.

60 The Company has not traded or invested in crypto currency.

61 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.

62 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

63 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

64 The Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

(Rs. In Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
Central Agency & Services Private Limited	Receivables	0.01	Customer
Welink Smo India Private Limited	Payable	*	Vendor
EMS Networks Pvt Ltd	Payable	*	Vendor
Secureplus Allied Private Limited	Payable	0.03	Vendor
Apex Associates Private Limited	Payable	*	Vendor
Epic Attires Private Limited	Payable	*	Vendor

(Rs. In Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
Central Agency & Services Private Limited	Receivables	0.02	Customer
Office Bazaar Supplies Private Linited	Payable	0.01	Vendor
Welink Smo India Private Limited	Payable	*	Vendor
Ems Networks Pvt Ltd	Payable	*	Vendor
Secureplus Allied Private Limited	Payable	0.03	Vendor
Apex Associates Private Limited	Payable	*	Vendor
Epic Attires Private Limited	Payable	*	Vendor
Aurozon (India) Pvt Ltd	Advance Paid	0.03	Vendor
Nagadi Consultants Pvt Ltd	Advance Paid	*	Vendor

* Amounts are below rounding off norms adopted by the Company.

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PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

65 The financial statements have been approved for issue by Company's Board of Directors on May 24, 2022.

Signature to note 1 to 65 of financial statements.

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For and on behalf of the Board of Directors

Nandini Piramal
Chairperson
DIN : 00286092

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24, 2022

Deloitte
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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of Convergence Chemicals Private Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Convergence Chemicals Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 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 Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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e. On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting .

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, 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 Company to or in any other person(s) or entity(ies), including foreign entities.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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 company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 22046930AJLCGL6109)

Place: Mumbai
Date: 23 May 2022

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Convergence Chemicals Private ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W / W- 100018)

Rupen K Bhatt
(Partner)
(Membership No. 46930)
(UDIN: 22046930AJLCGL6109)

Place: Mumbai
Date: 23 May 2022

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, (capital work-in-progress and relevant details of right-of-use assets).

(b) The Company has maintained proper records showing full particulars of intangible assets.

(c) The Company has a program of verification of property, plant and equipment (capital work-in progress and right of use assets) so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment (capital work-in-progress and right of use assets) were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(e) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(f) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. In respect of its inventories:

(a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising sales, production, current assets and current liabilities, filed by the Company with such banks

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or financial institutions, are in agreement with the unaudited books of account of the Company of the respective quarters. As informed by the management, the statement for the quarter ended March 31, 2022 will be submitted to the bank basis audited financial statements for the year ended March 31, 2022.

iii. The Company has not made any investments in, provided guarantee or security and granted any loans or advances in the nature of loans to companies, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

iv. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs In Lacs)	Amount unpaid (Rs in Lacs)
Central Excise Act,1944	Service Tax including interest and penalty, as applicable.	CESTAT	April 2014 to Nov 2015	178.93	161.04

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

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ix. In respect of its borrowings:

(a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, terms loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima-facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

x. (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi. In respect of frauds

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In respect of internal audits:

(a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date when performing our audit.

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xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

xvi. In respect of registration u/s 45-IA:

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) is not applicable.

(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

xvii. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 22046930AJLCGL6109)

Place: Mumbai
Date: May 23, 2022

CONVERGENCE CHEMICALS PRIVATE LIMITED
Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022 Rs. in lakhs		As at March 31, 2021 Rs. in lakhs	
ASSETS					
Non-Current Assets					
(a) Property, Plant & Equipment	3		14,628.86		13,567.10
(b) Capital Work in Progress	5		131.74		14.45
(c) Intangible Assets	3		20.11		31.64
(d) Right of Use Asset	4		1,461.66		1,467.45
(e) Other Financial Assets	6		34.52		17.99
(f) Other Non-Current Assets	7		19.61		281.30
Total Non-Current Assets			**16,296.50**		**15,379.93**
Current Assets					
(a) Inventories	8		1,835.88		1,463.91
(b) Financial Assets:					
(i) Trade Receivables	9		17.43		1,747.88
(ii) Cash & Cash equivalents	10		1,450.80		425.31
(iii) Bank balances other than (ii) above	11		321.90		312.01
(iv) Other Financial Assets	12		121.70		11.39
(c) Other Current Assets	13		459.39		430.71
Total Current Assets			**4,207.10**		**4,391.21**
Total Assets			**20,503.60**		**19,771.14**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	14	7,001.00		7,001.00	
(b) Other Equity	15	5,019.20		3,166.62	
Total Equity			**12,020.20**		**10,167.62**
Non-Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	16		3,900.95		4,998.95
(ii) Lease liability -Non current	4		44.29		49.83
(b) Provisions	17		10.51		11.32
(c) Deferred Tax liabilities (Net)	18		869.02		808.79
Total Non-Current Liabilities			**4,824.77**		**5,868.89**
Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	19	2,275.21		2,485.36	
(ii) Trade Payables					
Total outstanding dues of Micro enterprises and small enterprises	36	179.78		163.07	
Total outstanding dues of creditors other than Micro enterprises and small enterprises	20	757.59		537.23	
(iii) Other Financial Liabilities	21	241.30		210.16	
(iv) Lease Liability- Current	4	40.06	**3,493.94**	18.09	**3,413.91**
(b) Other Current Liabilities	22		47.74		12.61
(c) Provisions	23		76.68		89.72
(d) Current Tax Liabilities (Net)	24		40.27		218.39
Total Current Liabilities			**3,658.63**		**3,734.63**
Total Equity & Liabilities			**20,503.60**		**19,771.14**

The above Balance Sheet should be read in conjunction with accompanying notes
Summary of Significant Accounting Policies 2

This is the Balance Sheet referred to in our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.117366W/W-100018

Rupen K. Bhatt
Partner
(Membership No. 046930)
Date: May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

CONVERGENCE CHEMICALS PRIVATE LIMITED
Statement of Profit and Loss for the period ended March 31, 2022

	Note No.	Year Ended March 31, 2022 Rs. in lakhs		Year Ended March 31, 2021 Rs. in lakhs	
Revenue from operations	25		12,384.39		11,944.59
Other Income	26		259.72		38.79
Total Income			**12,644.11**		**11,983.38**
Expenses					
Cost of materials consumed	27	4,486.32		3,437.85	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(319.83)		(56.27)	
Employee benefits expense	29	805.15		836.62	
Finance costs	30	550.37		799.00	
Depreciation and amortisation expense	3	1,342.08		1,331.46	
Other expenses	31	3,312.93		2,783.26	
Total Expenses			**10,177.02**		**9,131.92**
Profit before Tax			**2,467.09**		**2,851.46**
Less: Tax Expenses					
Current Tax			535.07		649.55
Deferred Tax			64.34		(51.68)
Short tax for previous years			-		165.78
Profit for the period			**1,867.68**		**2,087.81**
Other Comprehensive Income / (Expense) (OCI), net of tax expense:					
A. Items that will not be reclassified to profit or loss					
- Remeasurement of Post Employment Benefit Plans		**14.06**		**3.84**	
Less: Income Tax Impact on above		**(3.54)**	**10.52**	**(0.97)**	**2.87**
B. Items that will be reclassified to profit or loss					
- Deferred gain/Loss on cash flow hedge		**(34.24)**		**(7.46)**	
Less: Income Tax Impact on above		**8.62**	**(25.63)**	**1.88**	**(5.58)**
Other Comprehensive Expense (OCI), net of tax expense			**(15.10)**		**(2.71)**
Total Comprehensive Income for the period			**1,852.58**		**2,085.11**
Earnings Per Equity Share (Basic and Diluted) (Rs.) (Face value of Rs. 10/- each) (Refer Note 37)			**2.67**		**2.98**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes
Summary of Significant Accounting Policies 2

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.117366W/W-100018

Rupen K. Bhatt
Partner
(Membership No. 046930)
Date: May 23, 2022

DELOITTE HASKINS & SELLS LLP MUMBAI

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

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Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur, May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

Convergence Chemicals Private Limited

CONVERGENCE CHEMICALS PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2022

		Year Ended March 31, 2022 Rs. in lakhs	Year Ended March 31, 2021 Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Exceptional Items and Tax		2,467.09	2,847.84
Adjustments for:			
- Depreciation and amortisation expense		1,342.08	1,331.46
- Finance Costs		550.37	799.00
- Interest income on Loans and Bank Deposits		(17.13)	(28.26)
- Gain on sale of asset		-	(10.53)
- Unrelealised exchange gain/Loss		(161.49)	(20.88)
- Provisions/Creditors written back		(64.71)	-
Operating Profit Before Working Capital Changes		4,116.21	4,918.63
Adjustments For Changes In Working Capital:			
Adjustments for (increase) / decrease in operating assets			
- Trade Receivables		1,730.45	(245.59)
- Other Current Assets		(28.68)	296.79
- Other Non Current Assets		(0.64)	(0.94)
- Other Financial Assets - Non Current		(16.53)	28.13
- Other Financial Assets - Current		26.20	(11.23)
- Inventories		(371.97)	(362.99)
Adjustments for increase / (decrease) in operating liabilities			
- Trade Payables		301.78	167.95
- Long-term provisions		(0.81)	2.05
- Other Financial Liabilities - Current		(83.69)	38.51
- Other current liabilities		35.12	1.15
- Short-term provisions		(2.52)	1.24
Cash generated from Operations		5,704.92	4,833.69
- Taxes Paid (Net of Refunds)		(713.18)	(485.14)
Net Cash generated from Operating Activities Before Exceptional Items		**4,991.74**	**4,348.55**
Net Cash generated from Operating Activities	(A)	**4,991.74**	**4,348.55**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Purchase of Property, Plant and Equipment/ Intangible Assets		(2,076.78)	(2,030.65)
Proceeds from sale of Property, Plant and Equipment		-	738.00
Fixed deposits (placed)/realised		(9.89)	10.69
Interest received		16.49	28.94
Net Cash used in Investing Activities	(B)	**(2,070.18)**	**(1,253.01)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Borrowings			
- Receipts		1,756.76	-
- Repayments		(2,772.42)	(2,536.90)
Short Term Borrowings			
- Receipts			618.40
- Repayments		(292.48)	(650.92)
Interest paid on lease liability		(10.44)	(6.37)
Lease liability repayment		(37.55)	(31.79)
Finance Costs Paid		(539.93)	(781.84)
Net Cash Used in Financing Activities	(C)	**(1,896.07)**	**(3,389.42)**
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]		**1,025.49**	**(293.88)**
Cash and Cash Equivalents as at April 1		**425.31**	**719.19**
Cash and Cash Equivalents as at March 31		**1,450.80**	**425.31**
Cash and Cash Equivalents Comprise of :			
Cash on Hand		0.20	0.04
Balance with Scheduled Banks in Current Accounts		1,450.60	425.27
		1,450.80	**425.31**

Notes :
1. The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7.
2. Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.
3. Reconciliation of the opening and closing balances of liabilities arising from Financing Activities:

This is the Cash Flow Statement referred to in our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.117366W/W-100018

Rupen K. Bhatt
Partner
(Membership No. 046930)
Date: May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur, May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

Convergence Chemicals Private Limited

DELOITTE HASKINS & SELLS LLP MUMBAI

CONVERGENCE CHEMICALS PRIVATE LIMITED
Statement of Changes in Equity for the period ended March 31, 2022

A. Equity Share Capital (Refer Note 14):

Particulars	Rs. in lakhs
Balance as at March 31, 2020	**7,001.00**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2021	**7,001.00**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2022	**7,001.00**

B. Other Equity:

Rs. in lakhs

Particulars	Notes	Reserves & Surplus Retained Earnings	Cash Flow hedge reserve	Total
Balance as at April 1, 2020		1,081.52	-	1,081.52
Add: Profit for the year	15	2,087.81	-	2,087.81
Other Comprehensive Income/ (Expense):		2.87	(5.58)	(2.71)
Balance as at March 31, 2021		**3,172.20**	**(5.58)**	**3,166.62**

Particulars	Notes	Reserves & Surplus Retained Earnings	Cash Flow hedge reserve	Total
Balance as at April 1, 2021		3,172.20	(5.58)	3,166.62
Add: Profit for the year	15	1,867.68	-	1,867.68
Other Comprehensive Income/ (Expense):		10.52	(25.63)	(15.09)
Balance as at March 31, 2022		**5,050.40**	**(31.21)**	**5,019.20**

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.117366W/W-1000018

Rupen K. Bhatt
Partner
(Membership No. 046930)
Date: May 23 2022

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

DELOITTE HASKINS & SELLS LLP MUMBAI

Convergence Chemicals Private Limited

CONVERGENCE CHEMICALS PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2022

1. GENERAL INFORMATION

Convergence Chemicals Pvt Ltd. ("The company") is set up to develop, manufacture and sell speciality fluorochemicals. The company was a Joint venture between Piramal Enterprises Limited (51%) and Navin Fluorine International Limited (49%) till October 5th, 2020. W.e.f October 6th, 2020, PEL transferred its stake in CCPL to Piramal Pharma Limited (PPL) while NFIL transferred its stake in CCPL on February 24th, 2021 to PPL.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

ii) Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain assets and liabilities that are measured at fair values at the end of reporting period.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

The accounts for the year ended and as at March 31, 2020 were audited by previous auditors- Haribhakti & Co. LLP

iii) Property, Plant and Equipment

All Property, Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property, Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation
Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013, which are as follows:

Asset Class	Useful life
Buildings	25 years - 50 years
Furniture & Fixtures	10 years
Plant & Machinery	4.5 years - 25 years
Continuous Process Plant	25-30 Years
Office Equipment	3 years - 6 years

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

iv) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

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

Computer Software	3 years - 6 years

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

v) Capital Work in Progress

Capital Work in Progress are stated at cost to date relating to items or project in progress, incurred during construction/ pre-operative period.

vi) **Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or 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 the Company 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Impairment of financial assets

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

Derecognition of financial assets

A financial asset is derecognised only when:

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

Where the entity has transferred an asset, the Company 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.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

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 Company 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.

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 Company 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.

DELOITTE HASKINS & SELLS LLP MUMBAI

Convergence Chemicals Private Limited

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 and points 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.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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.

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 Engineering Stores. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads, import duties and other taxes (other than subsequently recoverable by the entity from the taxing authorities).

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

x) **Employee Benefits**

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.
Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- Defined Contribution plans such as provident fund
- Defined Benefit plans such as Gratuity and Long-term Service Award

In case of Provident fund, contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Company's contribution to provident fund are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plan

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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

DELOITTE HASKINS & SELLS LLP
MUMBAI

Convergence Chemicals Private Limited

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).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

xii) **Revenue recognition**

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

Sale of goods: Revenue from sale of goods is recognised when control of the product has transferred to the buyer based on the applicable incoterms and there is no unfulfilled obligation that could affect the buyer's acceptance of the product and the company has objective evidence that all criteria for acceptance have been satisfied. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Other operating Income (MEIS and Duty Drawback): Income from MEIS is recognised in the period in which MEIS scrips are received by the Company. Income from duty drawback is recognised in the period when the amount is received by the Company.

xiii) **Foreign Currency Transactions**

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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.

xiv) **Leases**

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.
4. Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

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xv) **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 Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements 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.

However, Deferred tax assets in case of carry forward of unused tax losses is recognised only to the extent of sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised.

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 assets and the liabilities 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.

xvi) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, funds in transit, cash at bank and Fixed Deposit with original maturity of less than 3 months.

xvii) **Borrowing Costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on quantifying asset is deducted from the borrowing cost eligible for capitalisation.

xviii) **Rounding of amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs with 2 decimal as per the requirements of schedule III, unless otherwise stated.

xix) **Earning per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2b. Critical accounting judgements and key sources of estimation uncertainties

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

Fair Valuation:

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 44.

Impairment tests of non-current assets:

The carrying amount of the Company's non-current assets is tested for impairment whenever events or changes in circumstances indicate that the carrying amount will not be recovered. If such analysis indicates an excessive carrying amount, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less selling costs, and its value in use. Value in use is measured as the discounted future cash flows of the asset.

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Useful life of Assets:
Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Company. Depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Defined benefit plans:
The cost of the defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred Tax:
Deferred Tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively encated at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the period in which those temporary differences and tax loss carry forwards become deductible. The company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in near term if estimates of future taxable income during the carry forward period are reduced.

2c. 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 March 23, 2022, MCA amended the Companies
(Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework
The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant
impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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Notes to financial statements for the period ended March 31, 2022
3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

Rs. in lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22 (A)	Opening As at 01-Apr-21	For the year	Deductions/ Adjustments	As at 31-Mar-22 (B)	As at 31-Mar-22 (A-B)	As at 31-Mar-21
Property, Plant & Equipment										
Buildings	3,909.24	-	-	3,909.24	520.91	156.37	-	677.29	3,231.96	3,388.33
Building (other than Factory building)	781.97	-	-	781.97	4.94	45.07	-	50.01	731.96	777.03
Plant & Equipment	12,759.62	2,332.18	-	15,091.80	3,421.91	1,048.55	-	4,470.46	10,621.34	9,337.72
Furniture and fixtures	59.84	0.96	-	60.80	21.60	6.84	-	28.44	32.36	38.24
Office equipment	97.37	2.94	-	100.31	71.59	17.48	-	89.07	11.24	25.78
Total (I)	17,608.04	2,336.08	-	19,944.12	4,040.95	1,274.30	-	5,315.26	14,628.86	13,567.10
Intangible Assets (Acquired /Internally generated)										
Right to Use - Land & Immovable Assets	-	-	-	-	-	-	-	-	-	-
Right to Use - Land & Immovable Assets	-			-	-	-	-	-	-	-
Computer Software	94.94	-	-	94.94	63.30	11.53	-	74.83	20.11	31.64
Total (II)	94.94	-	-	94.94	63.30	11.53	-	74.83	20.11	31.64
Grand Total (I+II)	17,702.98	2,336.08	-	20,039.06	4,104.25	1,285.83	-	5,390.09	14,648.97	13,598.74

Rs. in lakhs

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21 (A)	Opening As at 01-Apr-20	For the year	Deductions/ Adjustments	As at 31-Mar-21 (B)	As at 31-Mar-21 (A-B)	As at 31-Mar-20
Property, Plant & Equipment										
Buildings	3,909.24	-	-	3,909.24	364.54	156.37	-	520.91	3,388.33	3,544.70
Building (other than Factory building)	-	781.97	-	781.97	-	4.94	-	4.94	777.03	-
Plant & Equipment	12,699.10	60.53	-	12,759.63	2,376.96	1,044.95	-	3,421.91	9,337.72	10,322.14
Furniture and fixtures	59.84	-	-	59.84	15.03	6.57	-	21.60	38.24	44.81
Office equipment	93.94	3.43	-	97.37	53.21	18.38	-	71.59	25.78	40.73
Total (I)	16,762.12	845.93	-	17,608.05	2,809.74	1,231.21	-	4,040.95	13,567.10	13,952.38
Intangible Assets (Acquired /Internally generated)										
Right to Use - Land & Immovable Assets	-	-	-	-	-	-	-	-	-	0.01
Right to Use - Land & Immovable Assets	1,414.60		1,414.60	-	131.78	47.91	179.69	-	-	1,282.81
Computer Software	94.94	-	-	94.94	51.78	11.52	-	63.30	31.64	43.16
Total (II)	1,509.54	-	1,414.60	94.94	183.56	59.43	179.69	63.30	31.64	1,325.97
Grand Total (I+II)	18,271.66	845.93	1,414.60	17,702.99	2,993.30	1,290.64	179.69	4,104.25	13,598.74	15,278.35

Refer note 35 for the assets mortageged as security against borrowings
Refer note 32 for capital commitments

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Notes to financial statements for the period ended March 31, 2022

4. LEASES

(i) Amounts recognised in balance sheet as on March 31, 2022
The balance sheet shows the following amounts relating to leases:

Right-of-use assets

Movement during the year ended March 31, 2022

(Rs. in Lakhs)

Category of asset	Opening balance as on April 01, 2021	Additions	Deduction	Depreciation	Closing balance as on March 31, 2022
Leasehold Land	1,402.53	-	-	15.62	1,386.91
Tanks and Container	64.92	50.49	-	40.67	74.74
Total	**1,467.45**	**50.49**	**-**	**56.29**	**1,461.66**

Right-of-use assets
Movement during the year ended March 31, 2021

(Rs. in Lakhs)

Category of asset	Opening balance as on April 01, 2020	Additions	Deduction	Depreciation	Closing balance as on March 31, 2021
Leasehold Land and Building	7.31	1,405.92	7.09	3.60	1,402.54
Tanks and Container	37.77	64.36	-	37.22	64.91
Total	**45.08**	**1,470.28**	**7.09**	**40.82**	**1,467.45**

Particulars	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
Lease liabilities	**84.35**	**67.92**
Current	40.06	18.09
Non-current	44.29	49.83

(ii) Amounts recognised in the statement of profit or loss for period ended March 31, 2022

The statement of profit or loss shows the following amounts relating to leases:

(Rs. in Lakhs)

Depreciation charge of right of use assets	For the year ended March 31, 2022	For the year ended March 31, 2021
Land and Building	15.62	3.60
Equipment	40.67	37.22
Total depreciation charge	**56.29**	**40.82**

Interest expense on lease liabilities (included in finance cost)	**10.44**	**6.37**

(iii) The total cash outflow for leases during period was :

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Financing cash flows: Interest expense	10.44	6.37
Financing cash flows: lease repayment	37.55	38.16
Total	**47.99**	**44.53**

#Refer note 41 for contractual naturities on undiscounted basis.

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Notes to financial statements for the period ended March 31, 2022

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
5. CAPITAL WORK IN PROGRESS		
Opening Balance	14.45	21.30
Add: Addition during the period	2,453.37	839.08
Less: Capitalised during the period	2,336.08	845.93
Closing Balance	**131.74**	**14.45**

Ageing schedule of capital work in progress

Ageing of CWIP as at March 31, 2022 (Rs. In Lakhs)

Name of Project	Less than 1 Year	1>2 Years
Projects in progress	122.51	9.23
Projects temporarily suspended	-	-

Ageing of CWIP as at March 31, 2021 (Rs. In Lakhs)

Name of Project	Less than 1 Year	1>2 Years
Projects in progress	14.45	-

Project wise details of CWIP whose completion is overdue compared to its original plan

As at March 31, 2022 **(Rs. In Lakhs)**

Revised completion timelines for delayed projects	<1 Year
Project 1	9.23
Project 2	0.04
Project 3	12.30
Project 4	5.95
Project 5	82.39

As at March 31, 2021 **(Rs. In Lakhs)**

Revised completion timelines for delayed projects	Timeline
NIL	-

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
6. OTHER FINANCIAL ASSETS - NON-CURRENT		
Security Deposits	16.63	0.10
Deposit paid to NFIL under protest	17.89	17.89
	34.52	**17.99**
7. OTHER NON-CURRENT ASSETS		
Advance tax (Net of provision Rs. NIL Lacs(Previous Year NIL lacs)	3.18	2.43
Capital Advances	12.18	275.26
Prepayments	4.25	3.61
	19.61	**281.30**
8. INVENTORIES		
Raw and Packing Materials	551.79	486.37
Work-in-Progress	505.16	194.10
Finished Goods	497.07	488.31
Stores and Spares	281.86	295.13
	1,835.88	**1,463.91**

Notes:

a) Valued at lower of cost or net realisable value

b) The cost of inventories recognised as an expense during the period was NIL (Previous period NIL) in respect of provisions for slow moving/ non-moving/ expired/ near expiry products.

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Notes to financial statements for the period ended March 31, 2022

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
9. TRADE RECEIVABLES		
Unsecured - Considered Good (Undisputed - not due)	17.36	1,747.88
Unsecured - Considered Good (Undisputed - within 6 months)	0.07	-
	17.43	**1,747.88**
10. CASH AND CASH EQUIVALENTS		
- Cash and Cash equivalents		
i. Balance with Banks		
- Current Accounts	1,450.60	425.27
- Deposit Accounts (less than 3 months original maturity)	-	-
ii. Cash on Hand	0.20	0.04
TOTAL	**1,450.80**	**425.31**
11. OTHER BANK BALANCES		
Deposit Accounts (Refer note 35) (Held as security against borrowings/ guarantees: Rs.321.90 lakhs, Previous period Rs.312.01 lakhs)	321.90	312.01
TOTAL	**321.90**	**312.01**
12. OTHER FINANCIAL ASSETS - CURRENT		
Security Deposits	0.14	0.13
Interest Accrued but not due	0.80	0.16
Derivative financial asset	120.76	11.10
TOTAL	**121.70**	**11.39**
13. OTHER CURRENT ASSETS		
Advances (Unsecured and Considered Good)	7.70	1.05
Balance with Government Authorities	119.19	22.25
Advance to employees	0.99	0.60
Prepayments	106.78	94.70
IGST Receivable	222.60	312.11
Other receivables	2.13	-
TOTAL	**459.39**	**430.71**

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Notes to financial statements for the period ended March 31, 2022

	As at March 31, 2022 Rs. in lakhs		As at March 31, 2021 Rs. in lakhs	
14. SHARE CAPITAL				
AUTHORISED SHARE CAPITAL				
85,000,000 (P.Y. 85,000,000) Equity Shares of Rs.10/- each		8,500.00		8,500.00
		8,500.00		**8,500.00**
ISSUED, SUBSCRIBED AND PAID UP				
70,010,000 (P.Y. 70,010,000) Equity Shares of Rs.10/- each		7,001.00		7,001.00
TOTAL		**7,001.00**		**7,001.00**

(i) **Movement in Equity Share Capital**

Particulars	**No. of shares**	**Rs. in lakhs**	**No. of shares**	**Rs. in lakhs**
At the beginning of the period	7,00,10,000.00	7,001.00	7,00,10,000.00	7,001.00
At the end of the period	**7,00,10,000.00**	**7,001.00**	**7,00,10,000.00**	**7,001.00**

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

Particulars	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
Piramal Pharma Limited (Holding Company)	7,00,09,999.00	100.00%	7,00,10,000.00	100.00%
Mr. Bipin Singh	1.00	0.00%	-	-
	7,00,10,000.00	**100%**	**7,00,10,000.00**	**100%**

(iii) **Shareholding of promoter**

Shares held by promoters as at the end of March 31, 2022

Promoter Name	**No of shares**	**% of total shares**	**% change during the year**
Piramal Pharma Limited	7,00,09,999.00	100.00%	0.00%

Shares held by promoters as at the end of March 31, 2021

Promoter Name	**No of shares**	**% of total shares**	**% change during the year**
Piramal Pharma Limited	7,00,10,000.00	100.00%	100.00%

(iv) **Terms and Rights attached to equity shares**

Equity Shares:

The Company has one class of equity shares having a par value of Rs.10/- 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.

15. OTHER EQUITY

Retained Earnings*				
At the beginning of the period	3,172.20		1,081.52	
Add: Profit for the period	1,867.68		2,087.81	
Add: Remeasurement of Post Employment Benefit Obligations	10.52		2.87	
		5,050.40		3,172.20
Cash flow hedge reserve**				
At the beginning of the period	(5.58)		-	
Add: For the period	(25.62)		(5.58)	
		(31.20)		(5.58)
TOTAL		**5,019.20**		**3,166.62**

*Retained earnings are the profits that company has earned to date, less any dividends or other distributions paid to investors.
**The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to 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

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Notes to financial statements for the period ended March 31, 2022

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
16. NON CURRENT BORROWINGS		
Secured - at amortized cost		
Term Loan From Banks	2,950.95	3,476.99
Unsecured - at amortized cost		
Loans from Related Parties	950.00	1,521.96
TOTAL	**3,900.95**	**4,998.95**

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Secured Term Loan from Banks

Rs. in lakhs

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
TL-I First peri passu on entire Property Plant and Equipment (movable and immovable) of the Company, present and future. First charge on Current Assets of the Company, present and future	Repayable in 20 quarterly installments from Feb 2019	3,469.41	5,444.87
TL-II First peri passu on entire Property Plant and Equipment (movable and immovable) of the Company, present and future. Second First peri passu charge on Current Assets of the Company, present and future	Repayable in 30 quarterly installments from Dec 2022	1,756.76	-

Out of the above, Term Loans of Rs.2,275.21 lakhs (Previous Year: Rs.1,967.87 lakhs) are reclassified to Current Maturities of Long term loans (Refer Note 20)
Effective Interest Rates for the above loan is 7.67% p.a. (Previous Year: 8.78% p.a.).

B. Unsecured Loans from Related Parties

Rs. in lakhs

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Long term Unsecured Loan	Repayable in 6 annual installments from Mar 2020	950.00	1,625.00

Out of the above, Unsecured Loans of NIL lakhs (Previous Year: 225.0) are reclassified to Current Maturities of Long term loans (Refer Note 20)
Effective Interest Rates for the above loan is 10.50% p.a. (Previous Year: 10.50% p.a.).

Company has not received any funds to lend or invest in other persons or entities on behalf of the Funding Party. Company has utilized the borrowings for the purpose for which they were taken

17. NON-CURRENT PROVISIONS		
Provision for employee benefits (Refer Note 33)	10.51	11.32
TOTAL	**10.51**	**11.32**
18. DEFERRED TAX LIABILITIES/ (ASSETS) (NET)		
(a) Deferred Tax Liabilities on account of temporary differences		
- Property, Plant and Equipment and Intangible Assets	886.79	815.98
- Unamortised EIR	8.24	13.87
	895.03	**829.85**
(b) Deferred Tax Assets on account of temporary differences		
- Expenses that are allowed on payment basis	17.10	17.10
- Lease liability	3.83	3.06
- Cash Flow Hedge Reserve	8.62	1.88
- Other	(3.54)	(0.97)
	26.01	**21.06**
TOTAL	**869.02**	**808.79**

Deferred Tax Liabilities and Deferred Tax Assets have been offset since they relate to the same governing taxation law. Refer note 42 for movement during the year.

CONVERGENCE CHEMICALS PRIVATE LIMITED
Notes to financial statements for the period ended March 31, 2022

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
19. CURRENT BORROWINGS		
Loans from Banks		
Secured - At Amortised Cost		
PCFC	-	292.48
Cash credit	-	-
Loans and advances from related parties		
Unsecured - At Amortised Cost		
Loans from Related Parties (Refer Note 33)	-	-
Current maturities of long-term debt (Refer Note 16)	2,275.2	2,192.9
TOTAL	**2,275.21**	**2,485.36**

Terms of repayment, nature of security & rate of interest in case of Secured Loans:
Secured PCFC loan from Banks

Rs. in lakhs

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Primary: First charge on current assets, present and future Collateral: Second charge on the movable fixed assets, present and future	90 days from date of disbursement	-	292.48

Effective Interest Rates for the above loan is NIL% p.a. (Previous Year: 1.35% p.a.).

20. Trade payables

As on March 31, 2022

Outstanding for following period from due date of payment — Rs. in lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled	Total
Undisputed Trade Payable- MSME	164.38	8.08	0.13	-	0.11	7.08	**179.78**
Undisputed Trade Payable- others	573.18	38.19	2.19	0.05	0.43	143.53	**757.57**
Disputed Trade Payable- MSME	-	-	-	-	-	-	-
Disputed Trade Payable- others	-	-	-	-	-	-	-

As on March 31, 2021

Outstanding for following period from due date of payment — Rs. in lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled	Total
Undisputed Trade Payable- MSME	156.78	1.52	0.11	0.97	-	3.69	**163.07**
Undisputed Trade Payable- other than MSME (Billed)	251.25	107.75	2.65	1.49	-	174.08	**537.23**
Disputed Trade Payable- MSME	-	-	-	-	-	-	-
Disputed Trade Payable- others	-	-	-	-	-	-	-

		As at March 31, 2022		As at March 31, 2021
21. OTHER CURRENT FINANCIAL LIABILITIES				
Payable to Group Companies (Refer Note 34)		-		18.11
Retention Money payable		33.77		24.56
Employee related liabilities		90.13		95.17
Security deposit received		2.50		2.50
Trade payable for Capital Goods other then payable to MSME		114.90		0.07
Other payable		-		69.75
TOTAL		**241.30**		**210.16**
22. OTHER CURRENT LIABILITIES				
Advances from Customers		28.88		1.50
Statutory Dues		18.86		11.11
TOTAL		**47.74**		**12.61**
23. CURRENT PROVISIONS				
Provision for employee benefits (Refer Note 33)		76.68		89.72
TOTAL		**76.68**		**89.72**
24. CURRENT TAX LIABILITIES (NET)				
Provision for Income Tax (Net of Advance Tax Rs.372 Lakhs)		40.27		218.39
TOTAL		**40.27**		**218.39**
25. REVENUE FROM OPERATIONS				
Sale of products		12,067.05		11,696.66
Other Operating Income				
- Export incentives	311.27		242.40	
- Others	6.08		5.53	
		317.34		247.93
TOTAL		**12,384.39**		**11,944.59**
Disaggregate Revenue Information (Point in time)				
Revenue by product line/ timing of transfer of goods				
-Within India		160.26		70.65
-USA		11,906.79		11,626.01
		12,067.05		**11,696.66**
26. OTHER INCOME				
Interest Income on Financial Assets				
- On Bank Deposits (at amortised costs)		17.13		28.26
Other Gains and Losses:				
- Foreign Exchange Gain (Net)		177.87		-
- Gain on sale of asset		-		10.53
Provision/Creditors write back		64.71		-
TOTAL		**259.72**		**38.79**
27. COST OF MATERIALS CONSUMED				
Opening Inventory		486.37		187.87
Add: Purchases		4,551.74		3,736.35
Less: Closing Inventory		551.79		486.37
TOTAL		**4,486.32**		**3,437.85**

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Notes to financial statements for the period ended March 31, 2022

	As at March 31, 2022 Rs. in lakhs		As at March 31, 2021 Rs. in lakhs	
28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE				
OPENING STOCKS:				
Work-in-Progress	194.10		142.74	
Finished Goods	488.31	682.41	483.40	626.14
CLOSING STOCKS:				
Work-in-Progress	505.16		194.10	
Finished Goods	497.07	1,002.24	488.31	682.41
TOTAL		**(319.83)**		**(56.27)**

29. EMPLOYEE BENEFITS EXPENSE

	March 31, 2022	March 31, 2021
Salaries and Wages	638.84	668.21
Contribution to Provident and Other Funds (Refer Note 33)	33.03	34.64
Gratuity Expenses (Refer Note 33)	13.74	12.75
Staff Welfare	119.53	121.02
TOTAL	**805.15**	**836.62**

30. FINANCE COSTS

	March 31, 2022	March 31, 2021
Finance Charge on financial liabilities measured at amortised cost	517.63	737.62
Interest on Income Tax	7.03	17.16
Interest expense on lease liability (Refer Note 4)	10.44	6.37
Other borrowing costs	15.28	37.85
TOTAL	**550.37**	**799.00**

31. OTHER EXPENSES

	March 31, 2022		March 31, 2021	
Consumption of Stores and Spare Parts		842.18		818.65
Power, Fuel and Water Charges		1,076.93		854.33
Repairs and Maintenance				
Buildings	195.00		155.92	
Plant and Machinery	453.79		407.76	
Others	0.57	649.35	0.27	563.95
Rent				
Others	38.04	38.04	18.09	18.09
Rates & Taxes		16.97		5.85
Insurance		81.91		78.07
Travelling Expenses		1.80		1.03
Directors' Sitting Fees		-		1.60
Freight		392.50		207.78
Communication and Postage		10.87		11.06
Printing and Stationery		12.47		12.32
Professional Charges		126.11		127.47
Exchange Loss (Net)		-		41.00
Miscellaneous Expenses (Refer Note 36)		27.81		27.06
CSR Expenditure		36.00		15.00
TOTAL		**3,312.93**		**2,783.26**

Note: Corporate Social reponsibility

	March 31, 2022	March 31, 2021
Details in respect of Corporate Social reponsibility expenditure		
Amount required to be spent during the year	35.14	14.14
Amount spent during the year on revenue expenditure	36.00	15.00
Nature of CSR activity	Education sector	Health sector

32. CONTINGENT LIABILITIES AND COMMITMENTS

	March 31, 2022	March 31, 2021
A. Contingent Liabilities		
Claims against the Company not acknowledged as debt:		
- Indemnity given to Navin Fluorine International Limited in relation to Service Tax matter where Company is in appeal	178.93	178.93
B. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance Rs. 12.18 (Previous Year Rs. 275.27 Lacs))	13.86	649.85

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Convergence Chemicals Private Limited

CONVERGENCE CHEMICALS PRIVATE LIMITED
Notes to financial statements for the period ended March 31, 2022

33. 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 Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year.

Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Defined Contribution plans

The Company's defined contribution plan is Provident Fund. The Company has no further obligation beyond making the contribution in this plan.

Post-employment benefit plans:

The Company's defined benefit plans include Gratuity, Leave Encashment and Long-term Service Award. All the defined benefit plans, except gratuity, are unfunded.

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 more than 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. Company's Gratuity Plan is administered by an insurer and the investments are made in the various schemes of the trust. Company Weighted average duration of the defined benefit obligation is 10 years (previous year 10 years).

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

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

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

Salary risk

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

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

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

Rs. in lakhs

Particulars	Year Ended March 31, 2022	Year Ended 31-Mar-21
Employer's Contribution to Regional Provident Fund Office	29.11	30.46

Note: Included in Contribution to Provident and Other Funds (Refer Note 29)

II. Disclosures for defined benefit plans based on actuarial valuation reports:

A. Change in Defined Benefit Obligation

Rs. in lakhs

Particulars	(Funded) Gratuity		(Non-Funded) Long Term Service Award	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at beginning of the year	62.10	46.86	11.57	10.30
Interest Cost	4.08	3.07	-	-
Current Service Cost	12.30	11.87	-	1.27
Benefits paid directly by employer	(1.81)	-	-	-
Liability Transferred Out for employees left/ Divestments	-	-	(0.20)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.04	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(1.69)	(0.05)	-	-
Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	(11.53)	0.36	-	-
Present Value of Defined Benefit Obligation as at the end of the year	**63.49**	**62.10**	**11.37**	**11.57**

B. Changes in the Fair Value of Plan Assets

Rs. in lakhs

Particulars	(Funded) Gratuity	
	Year Ended March 31,	
	2022	2021
Fair Value of Plan Assets as at beginning of the year	52.78	33.34
Interest Income	3.47	2.19
Contributions from employer	8.50	13.10
Return on Plan Assets, Excluding Interest Income	0.88	4.15
Fair Value of Plan Assets as at the end of the year	**65.63**	**52.78**

C. Amount recognised in the Balance Sheet

Rs. in lakhs

Particulars	(Funded) Gratuity		(Non-Funded) Long Term Service Award	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Present Value of Defined Benefit Obligation as at the end of the year	63.49	62.10	11.37	11.57
Fair Value of Plan Assets as at end of the year	65.63	52.78	-	-
Fund Status (Surplus/ (Deficit))	2.14	(9.32)	-	-
Net Liability/(Asset) recognised in the Balance Sheet	**(2.14)**	**9.32**	**11.37**	**11.57**
Recognised under:				
Non Current provision (Refer note 17)	-	-	10.50	10.53
Current provision (Refer note 23)	(2.14)	9.32	0.87	1.04

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D. Expenses recognised in Statement of Profit and Loss

Rs. in lakhs

Particulars	(Funded) Gratuity		(Non-Funded) Long Term Service Award	
	Year Ended March 31,		Year Ended March 31,	
	2022	2021	2022	2021
Current Service Cost	13.13	11.87	(0.20)	0.71
Net Interest cost	0.61	0.88	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss (Refer note 29)	**13.74**	**12.75**	**(0.20)**	**0.71**

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

Rs. in lakhs

Particulars	Gratuity	
	Year Ended March 31,	
	2022	2021
(Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	0.04	-
(Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(1.69)	(0.05)
(Gains)/Losses on Obligation For the Period - Due to experience adjustment	(11.53)	0.36
Return on Plan Assets, Excluding Interest Income	(0.88)	(4.15)
Net (Income)/Expense For the Period Recognized in OCI	**(14.06)**	**(3.84)**

F. Significant Actuarial Assumptions:

Particulars	(Funded) Gratuity		(Non-Funded) Long Term Service Award	
	As at Year Ended		As at Year Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Discount Rate (per annum)	6.90%	6.57%	6.90%	6.57%
Salary escalation rate	10.00%	10.00%	10.00%	10.00%
Expected Rate of return on Plan Assets (per annum)	6.90%	6.57%	N.A.	N.A.

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

G. Category of Assets

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance Fund	64.18	52.14

H. Other Details

Rs. in lakhs

	As at March 31, 2022	As at March 31, 2021
No of Active Members	76.00	79.00
Per Month Salary For Active Members (Rs. in Lakhs)	17.30	18.84
Average Expected Future Service (Years)	8.00	8.00
Projected Benefit Obligation (PBO) (Rs. in Lakhs)	63.49	62.11
Prescribed Contribution For Next Year (12 Months)	**8.75**	**18.94**

I. Cash Flow Projections : From the Fund:

Rs. in lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended	
	31-Mar-22	31-Mar-21
1st Following Year	4.67	4.29
2nd Following Year	4.80	4.47
3rd Following Year	5.01	4.59
4th Following Year	5.05	4.75
5th Following Year	5.10	4.84
Sum of Years 6 to 10	26.59	25.06
Sum of Years 11 and above	71.95	74.37

The Company's Gratuity Plan is managed by an insurer and the investments are made in various schemes of the trust. The Company funds the plan on a periodic

J. Sensitivity Analysis

Rs. in lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2022	As at March 31, 2021
Impact of +1% Change in Rate of Discounting	(4.68)	(4.90)
Impact of -1% Change in Rate of Discounting	5.35	5.66
Impact of +1% Change in Rate of Salary Increase	5.14	5.41
Impact of -1% Change in Rate of Salary Increase	(4.59)	(4.80)

The above sensitivity analysis 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 Leave Encashment (Non-Funded) as at year end is Rs.68.85 Lakhs (As at March 31, 2021 - Rs.73.52 Lakhs)
The liability for Long term Service Awards (Non-Funded) as at year end is Rs.11.37 Lakhs (As at March 31, 2021 - Rs.11.56 Lakhs)

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Notes to financial statements for the period ended March 31, 2022
34. Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

1. List of Related Parties
A. Controlling Companies
Ultimate Holding Company/Holding company
Piramal Enterprises Limited (PEL)
Piramal Pharma Limited (PPL)

Joint Venture
Navin Fluorine International Limited (NFIL)- JV partner till February 24th, 2021
B. Other Related Parties - Fellow Subsidiary Companies
Piramal Critical Care Inc (PCC Inc)

C. Non Executive/ Independent Directors
Mr. Surinder Gulati
Mr. Vivek Valsaraj
Mr. Sanjay Buch (ceased to exist as director wef February 24, 2021)
Mr. Sujal Shah (ceased to exist as director wef February 24, 2021)

D. Key Managerial Personnel
Mr Saket Guha

2. Details of transactions with related parties

(Rs. in Lakhs)

Details of Transactions	Controlling Companies		Other Related Parties	
	31-Mar-22	2021	31-Mar-22	2021
Purchase of Goods				
NFIL	-	1,236.09		
PEL	-	145.06		
PPL	6.71			
Rendering of Services				
NFIL	-	0.78		
Purchase of Property Plant and Equipment				
NFIL	-	738.00		
Sale of Goods				
PPL	0.74	-		
PCC Inc			11,906.79	11,626.02
Immovable property				
Purchase of immovable property (NFIL)	-	738.00		
Transfer of leaseholding rights in GIDC land				
NFIL	-	1,036.12		
IGST refund received				
NFIL	-	244.40		
CSR contribution				
Piramal Water Private Limited			-	15.00
Reimbursment of charges by NFIL				
- Reimbursment by NAVIN FLUORINE ADVANCED SCIENCES LTD against water consumption charges paid by CCPL	-	0.75		
- Reimbursement of new water connection charge	-	354.00		
Loans taken				
PPL	-	325.00		
Loans repaid				
PEL	-	600.00		
Navin	-	325.00		
PPL	725.00	500.00		
Interest (Payable/ Paid)				
PEL	-	110.34		
NFIL	-	30.76		
PPL	174.42	77.79		
Guarantee Commission (Payable/ Paid)				
PEL	3.58	22.77		
NFIL	-	16.90		
PPL	11.01	-		
Reimbursement of expenses (Payable/ Paid)				
PEL	1.63	2.73		
NFIL	-	1.25		
PPL	1.99	8.22		
Deposit Paid				
NFIL	-	0.14		

Compensation of key managerial personnel
The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	31-Mar-22	2020
Sitting Fees paid to independent directors	-	1.60

3. Balances of related parties.

Account Balances	Controlling Companies		Other Related Parties	
	31-Mar-22	2021	31-Mar-22	2021
Trade Receivables				
PPL	0.74			
PCC Inc			-	1,739.85
Deposit				
NFIL	-	17.89		
Deposit receivable				
NFIL	-	0.14		
Loans outstanding (Payable)				
PPL (Loan balance transferred from PEL wef 06-Oct-20)	950.00	1,746.95		
Trade Payables				
Navin Fluorine advanced Sciences Limited	-	1.59		
NFIL	-	124.19		
Other Payables				
PEL	-	10.41		
NFIL	-	4.82		
PPL	-	7.70		
Advances				
PCC Inc			27.89	-

All outstanding balances, except guarantees, are unsecured and are repayable in cash.

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Notes to financial statements for the period ended March 31, 2022

Property, Plant & Equipment, Leasehold land and other current assets are mortgaged / hypothecated to the extent of Rs.
35 5,226.16 Lacs (As on March 31, 2021 : Rs. 5,737.35 Crores) as a security against long term and short term secured borrowings as at March 31, 2022.

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Rs. in lakhs

Miscellaneous Expenditure in Note 31 includes Auditors' Remuneration in respect of:	For the year ended March 31, 2022	For the year March 31, 2021
Statutory Auditors:		
a) Audit Fees	10.00	10.00
b) Other Services	3.00	3.00

37 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Rs. in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The Principal amount and the interest due thereon remaining unpaid to suppliers registered under the MSMED Act, as at year end		
- Principal amount unpaid	172.70	158.41
- Interest on the above	0.01	-
(b) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	608.53	169.01
(c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	7.08	4.66
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act.	7.08	4.66

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Earnings Per Share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted
38 average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars	For the Year Ended	
	31-Mar-22	31-Mar-21
1. Profit after tax (Rs. in lakhs)	1,867.68	2,087.81
2. Weighted Average Number of Shares (nos. in lakhs)	700.10	700.10
3. Earnings Per Share - Basic and Diluted (Rs.) attributable to Equity Shareholders	2.67	2.11
4. Face value per share (Rs.)	10.00	10.00

Segment Reporting - The Company deals in one business segment only, i.e. manufacturing and sale of speciality
39 fluorochemicals. Entire non current assets of the company are located in India. For geographical segment of revenue, refer note 25.

Convergence Chemicals Private Limited
Notes to financial statements for the period ended March 31, 2022

40 **Capital Risk Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 16, 19 and 20 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

Particulars	March 31, 2022	March 31, 2021
Total Equity	**10,167.62**	**8,082.52**
Short Term Borrowings	2,275.21	2,485.36
Long Term Borrowings	3,900.95	4,998.95
Current Maturities of Long Term Borrowings	-	-
Total Debt	**6,176.16**	**7,484.31**
Cash & Cash equivalents	(1,450.80)	(425.31)
Bank balances other than above	(321.90)	(312.01)
Net Debt	**4,403.46**	**6,746.99**
Debt/Equity Ratio	**0.43**	**0.83**

The terms of the Secured loans and borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Debt Service Coverage Ratio, Fixed Asset Coverage Ratio, etc. The Company is broadly in compliance with the said covenants.

41 **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 Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's management is responsible for liquidity, funding as well as settlement management. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources

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

	March 31, 2022	March 31, 2021
- Expiring within one year	1206.33	1,094.52
- Expiring beyond one year	-	-
	1,206.33	1,094.52

The following tables detail the Company's

Rs. in lakhs

Maturities of Financial Liabilities	March 31, 2022 Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2,800.35	4,129.77	1,328.22	307.40
Trade Payables	937.37	-	-	-
Lease Liability	40.02	33.57	9.56	-
Other Financial Liabilities	241.30	-	-	-
	4,019.04	4,163.34	1,337.78	307.40

Rs. in lakhs

Maturities of Financial Liabilities	March 31, 2021 Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	3,099.49	4,979.41	534.08	-
Trade Payables	700.31	-	-	-
Lease Liability	18.09	26.63	23.20	-
Other Financial Liabilities	210.16	-	-	-
	4,028.05	5,006.04	557.28	-

42 **Market Risk**

(a) **Interest Rate Risk Management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating

The exposure of the Company's borrowing to interest rate risk at the end of the reporting period is mentioned below:

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	5,226.16	5,737.35
Fixed rate borrowings	950.00	1,746.96
	6,176.16	7,484.31

The sensitivity analysis below has been determined based on the exposure to interest rates for liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities 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 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, the Company's profit before tax for the year ended as on March 31, 2022 would decrease/increase by Rs.42.83 lakhs (Previous year Rs.Rs.59.54 lakhs). This is mainly attributable to the Company's exposure to borrowings at floating interest rates.

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(b) Foreign Currency Risk Management

Major portion the Company's revenue is earned from exports made in US Dollars (USD). Consequently, the Company is exposed to foreign exchange risk through its sales in United States. The exchange rate between the Rupee and USD may fluctuate in the future. Consequently, the results of the Company's operations may adversely be effected as the rupee appreciates against this currency.
The company has defined strategies for addressing risks for its exposure. The company has a foreign risk management policy which includes risk identification and recognition, hedging, monitoring and accounting. The centralised treasury function takes prudent measures to hedge the exposure.

(a) Derivatives outstanding as at the reporting date

Curency USD	March 31, 2022 FC in lakhs	Rs. in Lakhs	March 31, 2021 FC in lakhs	Rs. in Lakhs
Forward contract to sell USD/INR	99.60	7,549.68	30.00	2,193.60

(b) Particulars of foreign currency exposure as at the reporting date

Curency USD	March 31, 2022 FC in lakhs	Rs. in Lakhs	March 31, 2021 FC in lakhs	Rs. in Lakhs
Trade Receivables	-	-	23.79	1,739.85
Lease Liability	0.90	68.04	0.83	60.42

The following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against INR:

Sensitivity analysis

Currency USD	March 31, 2022			
Increase/ Decrease	Total Assets in FC (FC in lakhs)	Total Liabilities in FC (FC in lakhs)	Change in exchange rate (Rs.)	Impact on Profit or Loss for the year (Rs. in lakhs)
Increase by 5%#	-	0.90	3.79	(3.41)
Decrease by 5%#	-	0.90	(3.79)	3.41

Currency USD	March 31, 2021			
Increase/ Decrease	Total Assets in FC (FC in lakhs)	Total Liabilities in FC (FC in lakhs)	Change in exchange rate (Rs.)	Impact on Profit or Loss for the year (Rs. in lakhs)
Increase by 5%#	23.79	0.83	3.66	83.97
Decrease by 5%#	23.79	0.83	(3.66)	(83.97)

Holding all the other variables constant.
As at March 31, 2022, exposure to foreign curreny fluctuation risk was Rs.NIL lakhs (Previous Year: Rs. 1,739.85 lakhs)

(c) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The maximum exposure to the credit risk at the reporting date is from trade receivables amounting to NIL lakhs as of March 31, 2022 (previous year: Rs.1,739.85 Lakhs). Trade receivables are unsecured and are derived from revenue earned from a customer (a related party) located in the United States. During the year ended March 31, 2022, 99% of the revenue is generated from one customer (previous year: 99%).

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Convergence Chemicals Private Limited
Notes to financial statements for the period ended March 31, 2022

43 Income taxes relating to operations

Rs.in lakhs

	Year ended March 31, 2022	Year ended March 31, 2021
(a) *Income tax recognised in profit or loss*		
Current tax		
In respect of the current year	535.07	649.55
In respect of prior years	-	165.78
	535.07	**815.33**
Deferred tax		
In respect of the current year	64.34	(51.68)
	64.34	**(701.23)**
Total income tax expense recognised in the current year relating to continuing operations	**599.42**	**114.10**
(b) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	3.54	0.97
Deferred gain/Loss on cash flow hedge	(8.62)	(1.88)
Total income tax recognised in other comprehensive income	**(5.08)**	**(0.91)**
(c) *Deferred tax balances*		
The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:		
Deferred tax assets	26.01	21.06
Deferred tax liabilities	(895.03)	(829.85)
	(869.02)	**(159.24)**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of tax expense during the year ended March 31, 2022

Rs.in lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Employee Benefits	17.04	-	(3.54)	13.50
Property, Plant and Equipment and Intangible Assets	(815.98)	(70.81)	-	(886.79)
Brought forward losses	-	-	-	-
Lease liability	3.06	0.77	-	3.83
Unamortised EIR	(13.87)	5.63	-	(8.24)
Deferred gain/Loss on cash flow hedge	1.88	-	8.62	10.50
Others	(0.92)	(0.90)	-	(1.82)
Total	**(808.79)**	**(65.31)**	**5.08**	**(869.02)**

Movement of tax expense during the year ended March 31, 2021

Rs.in lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Employee Benefits	18.62	(0.61)	(0.97)	17.04
Property, Plant and Equipment and Intangible Assets	(891.95)	75.97	-	(815.98)
Brought forward losses	9.56	(9.56)	-	-
Lease liability	2.39	0.67	-	3.06
Unamortised EIR	-	(13.87)	-	(13.87)
Deferred gain/Loss on cash flow hedge	-	-	1.88	1.88
Others	-	(0.92)	-	(0.92)
Total	**(861.38)**	**51.68**	**0.91**	**(808.79)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Rs.in lakhs

Particulars	March 31, 2022	March 31, 2021
Profit/ (Loss) before tax from continuing operations	2,467.09	2,851.46
Income tax expense calculated at 25.17% (2019-20: 25.17%)	620.97	717.71
Effect of expenses that are not deductible in determining profit	(23.47)	4.32
Tax provision for earlier years	-	165.78
Capital expenditure not allowable	-	(146.92)
Tax Impact on account of New Tax regime	-	-
Others	1.91	22.76
Income tax expense recognised in profit or loss	599.42	763.64

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% (previous year: 25.17%) payable by the company in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realisability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realised. 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 carried forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based upon this, the Company believes that it is probable that the Company 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.

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Convergence Chemicals Private Limited

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Notes to financial statements for the period ended March 31, 2022

44 Financial Instruments

Rs. in lakhs

Categories of Financial Instruments:	March 31, 2022		March 31, 2021	
	Amortised Cost	Fair Value	Amortised Cost	Fair Value
Financial Assets				
Cash & Bank Balances	1,772.70	1,772.70	737.32	737.32
Trade Receivables	17.36	17.36	1,747.88	1,747.88
Other Financial Assets	156.22	156.22	17.99	17.99
	1,946.28	**1,946.28**	**2,503.19**	**2,503.19**
Financial liabilities				
Borrowings	6,176.16	6,176.16	7,484.31	7,484.31
Trade Payables	937.37	937.37	700.31	700.31
Other Financial Liabilities	241.30	241.30	210.16	210.16
Lease Liabilities	84.35	84.35	67.92	67.92
	7,439.18	**7,439.18**	**8,462.69**	**8,462.69**

45 In assessing the recoverability of receivables, advances and intangibles, the Company has considered internal and external information upto the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

46 The Company's international transaction with associated enterprises are at Arm's length as per the Independent Accountant's report for the year ended March 31, 2021. Management believes that the Company's international transaction with Associate Enterprise post March 2021 continue to be at Arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of tax expense for the year and the amount of the provision for taxation at year end.

47 There are no material subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

48 Previous year figures have been regrouped where necessary to conform to current year's classification.

49 The company has not been declared as wilful defaulter by any bank or financial institution or any other lender

50 Transactions of the company with struck off companies are as follows:

Name of struck off company	Nature of transaction	Balance outstanding as on March 31, 2022	Balance outstanding as on March 31, 2021	Relationship with struck off company, if any
Graphite India Limited	Purchase of goods	NIL	NIL	Vendor

51 The company does not have any undisclosed income for the year ended March 31, 2022 and March 31, 2021

52 The company has not given any loan or advance or invested in any other person or entity, including foreign entity during the year.

53 The company has not traded or invested in crypto currency during the year ended March 31, 2022 and March 31, 2021

54 The company does not hold Benami property as defined under Benami transactions(prohibition) act, 1988(45 of 1988) and the rules made thereunder.

55

	Ratios	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance
(i)	Current ratio	Current Assets	Current Liabilities	1.14	1.18	(3.1%)
(ii)	Debt-Equity Ratio	Total Debt	Equity	0.52	0.74	(30.0%)*
(iii)	Debt Service coverage ratio	Profit before Interest, Tax and Exceptional items	Interest Expense on long term debt+ Principal Repayment of long term Debt	0.92	1.16	(20.5%)
(iv)	Return on Equity ratio	Net Profit after tax	Shareholders Equity	0.15	0.21	0.05%
(v)	Inventory turnover ratio	Cost of goods sold	Average inventory	2.53	2.64	(4.2%)
(vi)	Trade receivable turnover ratio	Sales of Products	Average Trade Receivable	13.67	7.24	88.7%**
(vii)	Trade payable turnover ratio	Purchases	Average trade payable	5.56	6.06	(8.3%)
(ix)	Net capital turnover ratio	Revenue from operations	Net assets	0.78	0.80	(1.3%)
(x)	Net profit ratio	Profit after tax before exceptional items	Revenue from operations	0.14	0.17	(16.8%)
(xi)	Return on capital employed	EBIT	Capital employed	0.18	0.26	0.09%

**Repayment of debt has resulted in an improvement in ratio*

***Early invoice settlement led to lower receivables, therefore there is an improvement in trade receivable ratio*

56 The financial statements were approved by Board of Directors on May 23, 2022.
Signature to note 1 to 56 of financial statements.

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Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur, May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

Convergence Chemicals Pvt. Ltd.

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Hemmo Pharmaceuticals Private Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Hemmo Pharmaceuticals Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India of the state of affairs (financial position) of the Company as at 31st March 2022, the loss (financial performance), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Financial Statements section of our report. We are independent of the Company 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 Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS Financial Statements.

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Other Information

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Director's Report but does not include the Standalone Ind AS Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Ind AS 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 Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 the Standalone Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Standalone Ind AS Financial Statements 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 Company's ability 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 Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion.

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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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS 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 Standalone Ind AS Financial Statements.

We communicate with those charged with governance 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 Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and except for information relating to Micro, Small and Medium Enterprises (Refer Note 44) obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the other matters to be included in the Auditor's Report in accordance with requirements of Section 197(16) of the Act, as amended:
      The Company, being a Private Limited Company, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company and hence reporting u/s 197(16) is not required.
   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position other than those disclosed in Note 33 to the Standalone Ind AS Financial Statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv.
         (i) The management has represented that, to the best of its knowledge and belief, as stated in Note 56 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind

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of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented that, to the best of its knowledge and belief, as stated in Note 56 to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether 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; and

(iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. The Company has not declared or paid dividend during the year. Accordingly, clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable to the Company for the year under audit.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar P. Sapre
Partner
Membership No.: 040740
Place: Mumbai
Date: May 20, 2022
UDIN: 22040740AJIMJX5117

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ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Hemmo Pharmaceuticals Private Limited** ("the Company") on the Standalone Ind AS Financial Statements for the year ended 31st March 2022]

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including right-of-use assets.

B. The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us, the Company has a periodical program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, verification of part of Property, Plant and Equipment has been conducted during the current financial year and discrepancies noticed on such physical verification, which in our opinion were not material, have been appropriately dealt with in the books of account.

(c) Based on information and explanation provided to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), included under Property, Plant and Equipment disclosed in the Standalone Ind AS Financial Statements are held in the name of the Company as at the balance sheet date.

(d) During the current year, based on information and explanation provided to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets. Hence clause 3(i)(d) of the Order is not applicable to the Company for the year under audit.

(e) Based on information and explanation provided to us, no proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence clause 3(i)(e) of the Order is not applicable to the Company for the year under audit.

(ii) a. According to the information and explanations provided to us, the inventory (other than stock lying with third party) has been physically verified by the Management during/at the end of the year. Stocks lying with third parties has been confirmed by these parties. In our opinion, the procedure and coverage of such verification by the management is appropriate. The frequency of verification

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is reasonable. The discrepancies noticed on physical verification of inventory, which did not exceed 10% or more in the aggregate for each class of inventory, have been appropriately dealt with in the books of account.

b. According to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore by a bank on the basis of security of current assets. The statement of current assets submitted to the bank in this regard are in agreement with the books of account. The Company has, however, not drawn any amount against the sanctioned facility till 31st March 2022.

(iii) According to the information and explanations provided to us, during the year, except for interest free loans to the employees (Refer Note No. 4 and 13), the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties.

In respect of interest free loans to the employees:

(a) The amount of loan granted during the year is Rs. 7.50 lac and balance outstanding at the end of the year was Rs. 29.12 lac.

(b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) The schedule of repayment of principal has been stipulated and the repayments of principal amounts have generally been regular as stipulated.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

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(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has neither accepted any deposits nor accepted any amounts which are deemed to be deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in this regard in the case of the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to Rules prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, except for delays ranging from 1 to 62 days in payment of Tax Deducted at Source, the Company is generally regular in depositing undisputed statutory dues including duty of customs, goods and services tax and value added tax and other material statutory dues, as applicable, with appropriate authorities. There were no undisputed statutory dues outstanding as at the last day of the financial year for a period exceeding six months from the date they became payable.

(b) As at March 31st, 2022, there were no statutory dues referred to in sub-clause (a) above pending to be deposited on account of any dispute except as given below:

Name of the statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs.)
Income Tax Act, 1961	Income Tax	AY 2010-11	Assessing Officer	20,830
Income Tax Act, 1961	Income Tax	AY 2011-12	Assessing Officer*	30,96,372

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Income Tax Act, 1961	Income Tax	AY 2016-17	Commissioner of Income Tax (Appeals)	3,51,419
Income Tax Act, 1961	Income Tax	AY 2017-18	Commissioner of Income Tax (Appeals)	6,40,415
Income Tax Act, 1961	Income Tax	AY 2018-19	Commissioner of Income Tax (Appeals)	1,18,030
R&D Cess	Cess	Various Years	High Court**	6,03,491

* The matter is remanded back to A.O for fresh adjudication which is pending.

** Payment not insisted by RBI in view of Order No. 2261 of 1989 in the High Court of Calcutta (Appeal not preferred by the Company).

(viii) According to the information and explanations given to us and based on the audit procedures performed by us, we report that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, clause 3(viii) is not applicable to the Company for the year under audit.

(ix)

(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any lenders. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company for the year under audit.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not taken any term loans. Hence, clause 3(ix)(c) of the Order is not applicable to the Company for the year under audit.

(d) According to the information and explanations given to us and based on the audit procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company did not have any subsidiaries, associates or JVs. Accordingly, clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company for the year under audit.

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(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company for the year under audit.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible), Accordingly, clause 3(x)(b) of the Order is not applicable to the Company for the year under audit.

(xi) (a) Based upon the audit procedures performed and the information and explanations given the management, no fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and aaccordingly clause 3(xi)(b) of the Order is not applicable to the Company for the year under audit.

(c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not received any whistle blower complaints during the year. Accordingly, clause 3(xi)(c) of the Order is not applicable to the Company for the year under audit.

(xii) The Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) (a), (b) and (c) of the Order are not applicable to the Company for the year under audit.

(xiii) In our opinion, provisions of Section 177 are not applicable to the Company for the year under audit. All transactions with related parties are in compliance with Section 188 of Companies Act, and the details of related party transactions have been disclosed in the financial statements etc. as required by the Accounting Standards.

(xiv) (a) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act 2013.

b. In view of our comments in paragraph 3(xiv)((a) above, clause 3(xiv)((b) is not applicable to the Company for the year under audit.

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(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company for the year under audit.

(xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934; Accordingly, provisions of clause 3(xvi)(a) of the Order are not applicable to the Company for the year under audit.

b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company for the year under audit.

c. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company for the year under audit.

d. According to the information and explanations given to us and based on our examination of the records of the Company, we report that the Group entity does not have any CIC as part of the Group, Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company for the year under audit.

(xvii) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has incurred cash losses (after exceptional items) during the current financial year. However, the Company did not incur cash loss in the immediately preceding financial year.

(xviii) According to the information and explanations given to us and based on the audit procedures performed by us, we report that there has been no resignation by the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company for the year under audit.

(xix) According to the information and explanations given to us and based on the audit procedures performed by us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists

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as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) There is no amount remaining unspent as at March 31st, 2022 in respect of the Company's liability towards Corporate Social Responsibility, whether in respect of ongoing projects or otherwise. Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable to the Company for the year under audit.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961 W/W-100036

Diwakar P. Sapre
Partner
Membership No.: 040740
Place: Mumbai
Date: May 20, 2022
UDIN: 22040740AJIMJX5117

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ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(g) of the Report on Other Legal and Regulatory Requirements of even date to the members of **Hemmo Pharmaceuticals Private Limited** on the Standalone Ind AS Financial Statements for the year ended March 31, 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of **Hemmo Pharmaceuticals Private Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Ind AS Financial Statements were 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 Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Ind AS Financial Statements, assessing

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the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Ind AS 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 authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Ind AS **Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Ind AS 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 Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Ind AS Financial Statements may become

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inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Ind AS Financial Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at 31st March, 2022, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No. 040740
Date: May 20, 2022
Place: Mumbai
UDIN: 22040740AJIMJX5117

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HEMMO PHARMACEUTICALS PRIVATE LIMITED
Standalone Balance Sheet as at March 31, 2022

	Note No.	As at March 31, 2022 Rupees in lakhs	As at March 31, 2021 Rupees in lakhs	As at April 1, 2020 Rupees in lakhs
ASSETS:				
Non-Current Assets				
(a) Property, Plant & Equipment	1.1	1,768.90	1,540.68	1,630.57
(b) Capital Work-in-Progress	1.2	87.42	29.89	-
(c) Intangible Assets	1.1	3.41	-	-
(d) Right of Use Assets	2	3,702.81	113.00	122.29
(e) Financial Assets				
(i) Investments				
Investments in Subsidiary/Joint Venture/Associate	3	-	-	1.00
Other Investments	3	6.83	4,739.14	3,038.58
(ii) Loans	4	20.76	28.06	31.93
(iii) Other Financials Assets	5	44.37	43.79	43.79
(f) Deferred Tax Assets (Net)	6	103.22	135.96	122.29
(g) Non Current Tax Assets (Net)	7	75.52	-	-
(h) Other Non Current Assets	8	199.91	37.49	22.12
Total Non-Current Assets		6,013.15	6,668.01	5,012.57
Current Assets				
(a) Inventories	9	3,587.16	2,280.62	1,815.37
(b) Financial Assets				
(i) Trade Receivables	10	4,169.18	3,626.68	1,703.98
(ii) Cash & Cash Equivalent	11	2,852.08	208.24	482.58
(iii) Bank balance other than (ii) above	12	69.21	2,548.44	1,497.44
(iv) Loans	13	8.37	12.81	14.02
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets	14	1,731.45	2,263.70	1,918.95
Total Current Assets		12,417.45	10,940.52	7,432.34
TOTAL ASSETS		18,430.60	17,608.53	12,444.91
EQUITY AND LIABILITIES:				
Equity				
(a) Equity Share Capital	15	29.08	29.08	29.08
(b) Other Equity	16	13,423.88	15,588.46	10,892.75
Total Equity		13,452.96	15,617.54	10,921.83
Liabilities				
Non-Current Liabilities				
(a) Long Term Provisions	17	162.66	122.90	66.56
(b) Non Current Tax Liabilities (Net)	18	-	-	12.85
Total Non-Current Liabilities		162.66	122.90	79.41
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	2,099.13	-	-
(ii) Trade Payables				
(A) Total outstanding dues of micro enterprise and small enterprises	20	-	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,114.14	1,606.17	971.23
(iii) Other Financial Liabilities	21	3.84	2.49	5.49
(b) Lease Liability - Current	2	-	7.60	14.06
(c) Other Current Liabilities	22	539.37	87.26	353.60
(d) Current Tax Liabilities (Net)	23	-	139.03	83.26
(e) Short Term Provisions	24	58.50	25.54	16.03
Total Current Liabilities		4,814.98	1,868.09	1,443.67
TOTAL LIABILITIES		18,430.60	17,608.53	12,444.91

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached

For C N K & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.:- 101961W/W-100036

D.P.Sapre
Partner
Membership No.: 40740

Mumbai, 20th May, 2022

For and on behalf of the Board of Directors

Surinder Gulati
Director
DIN-07154673

Amit Bapat
Director
DIN-09219276

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Standalone Statement of Profit and Loss for the year ended March 31, 2022

	Note No.	As at March 31, 2022 Rupees in lakhs	As at March 31, 2021 Rupees in lakhs
INCOME			
Revenue from Operations	25	14,627.07	12,687.35
Other Income (Net)	26	850.35	1,077.24
Total Income		15,477.42	13,764.59
EXPENSES			
Cost of Materials Consumed	27	4,528.29	2,595.72
Purchase of Stock-in-Trade		53.49	23.65
Changes in Inventories of Finished Goods and Work in Progress	28	(385.05)	(78.91)
Employee benefits expense	29	2,020.62	1,592.63
Finance Cost	30	145.68	37.91
Depreciation & Amortisation	1, 2	271.52	375.23
Other Expenses	31	4,100.37	2,992.65
Total Expenses		10,734.92	7,538.88
Profit Before Exceptional Items and Tax		4,742.51	6,225.71
Exceptional Items (Refer Note 64)	32	5,601.19	-
Profit / (Loss) Before Tax		(858.68)	6,225.71
Income Tax Expense			
- Current Tax		1,262.00	1,511.00
- Deferred Tax		35.93	(3.38)
- Taxation of earlier years		(1.50)	(8.21)
Total Tax Expenses		1,296.43	1,499.41
Profit / (Loss) After Tax		(2,155.11)	4,726.30
Other Comprehensive Income (OCI), net of tax expense:			
A. Items that will not be reclassified to profit or loss			
(a) Remeasurement of Post Employment Benefit Obligations		12.65	40.88
Less: Income Tax Impact on above		(3.18)	(10.29)
		9.47	30.59
B. Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (OCI), net of tax expense		9.47	30.59
Total Comprehensive Income / (Loss) for the period		(2,164.58)	4,695.71
Earnings Per Equity Share (Basic) (Before Exceptional Items) (Rs.) (Face value of Rs. 100/- each) - (Refer note 45)		11,852.36	16,255.55
Earnings Per Equity Share (Diluted) (Before Exceptional Items) (Rs.) (Face value of Rs. 100/- each) - (Refer note 45)		11,852.36	16,255.55
Earnings Per Equity Share (Basic) (After Exceptional Items) (Rs.) (Face value of Rs. 100/- each) - (Refer note 45)		(7,412.25)	16,255.55
Earnings Per Equity Share (Diluted) (After Exceptional Items) (Rs.) (Face value of Rs. 100/- each) - (Refer note 45)		(7,412.25)	16,255.55

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our Report of even date attached

For C N K & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.:- 101961W/W-100036

D.P.Sapre
Partner
Membership No.: 40740

Mumbai, 20th May, 2022

For and on behalf of the Board of Directors

Surinder Gulati
Director
DIN-07154673

Amit Bapat
Director
DIN-09219276

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Standalone Cash Flow Statement for the year ended March 31, 2022

Particulars	Year ended March 31, 2022 Rupees in lakhs	Year ended March 31, 2021 Rupees in lakhs
A. Cash Flow from Operating Activities		
Profit/(Loss) Before Tax & After Exceptional Items	(858.68)	6,225.71
Adjustments for:		
Depreciation and amortisation expense	271.52	375.23
Finance cost considered separately	145.68	37.91
Loss / Profit on sale of asset	(528.81)	(7.69)
Provision for Doubtful Debts / Advances	-	-
Gain/(Loss) on measurement of financial assets at FVTPL	(102.44)	(979.68)
Dividend on investments	-	(7.57)
Expected Credit Loss on Trade Receivables	(1.63)	(5.79)
Interest income on Financial assets	(22.34)	(288.71)
Operating Profit/ (Loss) before Working Capital Changes	(1,096.71)	5,349.42
Adjustments for (increase) / decrease in operating assets		
Trade Receivables	(540.87)	(1,916.91)
Inventories	(1,306.54)	(465.26)
Loans	11.75	5.08
Other Financial Assets	(0.58)	-
Other Current Assets	532.60	(344.76)
Other Non-current Assets	(162.41)	(15.39)
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	507.97	634.95
Non-Current Provisions	39.76	56.34
Other Current Financial Liabilities	1.35	(3.01)
Other Current Liabilities	452.11	(266.34)
Current Provisions	20.31	(31.37)
Cash Generated from /(used in) Operations	(1,541.26)	3,002.75
Taxes Paid (Net of Refunds)	(1,475.03)	(1,495.88)
Net Cash Generated from/(Used in) Operating Activities	(3,016.29)	1,506.87
B. Cash Flow from Investing Activities		
Payments for Purchase of Property Plant and Equipment/ Intangible Assets	(4,199.65)	(336.82)
Proceeds from Sale of Property Plant and Equipment/ Intangible Assets	577.95	38.58
Purchase of investments	-	(3,084.80)
Bank balances not considered as Cash and cash equivalents	2,479.23	(1,051.00)
Proceeds from Sale of Investments	4,834.41	2,364.92
Dividend received	-	7.57
Interest received	22.34	288.71
Net Cash flow from / (used in) Investing Activities	3,714.28	(1,772.84)
C. Cash Flow from Financing Activities		
Loan taken from related party	3,500.00	-
Loan repaid to related party	(1,400.87)	-
Lease Payments	(7.60)	(6.46)
Interest paid on borrowings	(136.15)	-
Other interest cost	(9.53)	(1.91)
Net Cash Flow from/ (used in) Financing Activities	1,945.85	(8.37)
Net Increase/ (Decrease) in Cash and Cash Equivalents [A + B + C]	2,643.84	(274.34)
Cash and Cash Equivalents at the beginning of the year	208.24	482.58
Cash and Cash Equivalents at the end of the year	2,852.08	208.24
Net Increase/(Decrease) in Cash and Cash Equivalents	2,643.84	(274.34)
Cash and Cash Equivalents Comprise of :		
Cash on Hand	0.72	14.48
Cheque on Hand	2,241.00	-
Balance with Scheduled Banks in Current Accounts	610.35	193.76
Total:	2,852.08	208.24

As per our Report of even date attached

For C N K & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.:- 101961W/W-100036

D.P.Sapre
Partner
Membership No.: 40740

Mumbai, 20th May, 2022

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI - 11.

For and on behalf of the Board of Directors

Surinder Gulati
Director
DIN-07154673

Amit Bapat
Director
DIN-09219276

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

1.1 Property, Plant & Equipment

(Rs. in lakhs)

Description	Gross block (at cost)				Depreciation/Amortisation				Net block	
	Balance as at April 1, 2021	Additions	Disposals	Balance as at March 31, 2022	Balance as at April 1, 2021	For the year	Eliminated on disposal of assets	Balance as at March 31, 2022	Balance as at March 31, 2022	Balance as at March 31, 2021
Tangible Assets:										
Factory Building	139.98	67.54	-	207.51	15.83	41.04	-	56.87	150.64	124.15
Factory Building-Administration	13.43	-	-	13.43	0.79	0.37	-	1.16	12.27	12.64
Office Premises	46.81	-	128.88	(82.07)	2.74	0.16	84.97	(82.07)	(0.00)	44.07
Plant & Equipments	1,653.76	430.40	19.62	2,064.53	326.95	185.22	19.20	492.96	1,571.57	1,326.81
Office Equipments	13.05	9.73	6.37	16.40	6.36	3.89	5.06	5.20	11.21	6.69
Furniture & Fixtures	14.11	6.04	26.79	(6.64)	3.64	5.35	26.07	(17.08)	10.44	10.47
Computers	16.44	8.44	2.79	22.08	7.16	6.07	2.79	10.43	11.65	9.28
Vehicles	9.05	-	63.21	(54.17)	2.47	2.67	60.44	(55.29)	1.12	6.57
Sub total (a)	1,906.62	522.14	247.67	2,181.09	365.94	244.78	198.53	412.18	1,768.90	1,540.68
Intangible Assets:										
Computer Software	-	3.68	-	3.68	-	0.26	-	0.26	3.41	-
Sub total (b)	-	3.68	-	3.68	-	0.26	-	0.26	3.41	-
Total	1,906.62	525.82	247.67	2,184.76	365.94	245.04	198.53	412.45	1,772.31	1,540.68

Description	Gross block (at cost)				Depreciation/Amortisation				Net block	
	Balance as at April 1, 2020	Additions	Disposals	Balance as at March 31, 2021	Balance as at April 1, 2020	For the year	Eliminated on disposal	Balance as at March 31, 2021	Balance as at March 31, 2021	Balance as at March 31, 2020
Tangible Assets:										
Factory Building	139.98	-	-	139.98	-	15.83	-	15.83	124.15	139.98
Factory Building-Administration	13.43	-	-	13.43	-	0.79	-	0.79	12.64	13.43
Office Premises	46.81	-	-	46.81	-	2.74	-	2.74	44.07	46.81
Plant & Equipments	1,383.97	297.79	28.00	1,653.76	-	326.95	-	326.95	1,326.81	1,383.97
Office Equipments	13.04	1.91	1.90	13.05	-	6.36	-	6.36	6.69	13.04
Furniture & Fixtures	14.45	0.08	0.42	14.11	-	3.64	-	3.64	10.47	14.45
Computers	9.73	7.15	0.44	16.44	-	7.16	-	7.16	9.28	9.73
Vehicles	9.17	-	0.12	9.05	-	2.47	-	2.47	6.57	9.17
Sub total (a)	1,630.57	306.93	30.89	1,906.62	-	365.94	-	365.94	1,540.68	1,630.57
Intangible Assets:						-	-		-	-
Sub total (b)	-	-	-	-	-	-	-	-	-	-
Total	1,630.57	306.93	30.89	1,906.62	-	365.94	-	365.94	1,540.68	1,630.57

Note :-

1) During the year, the Company has changed its method of depreciation from Written Down Value to Straight Line with a view to align with the method followed by its Holding Company. As a result of the change, the depreciation charged to the statement of Profit & Loss for the year is lower by Rs. 1,28,25,911/-.

2) The Company has not revalued its Property, Plant & Equipmentc (including ROU Assets / Intangible Assets) during the year.

3) Title deeds of Immovable Properties are held in the name of the Company.

4) The Company has availed the deemed cost exemption in relation to the property, plant and equipment (except freehold land) on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer below for the gross block value and the accumulated depreciation on April 1, 2020 under the previous GAAP.

Property, Plant and Equipment	Gross Block	Accumulated Depreciation	Net Block
Factory Building	563.81	423.84	139.98
Factory Building-Administration	30.72	17.29	13.43
Office Premises	128.88	82.07	46.81
Plant & Equipments	5,177.56	3,793.59	1,383.97
Office Equipments	90.83	77.79	13.04
Furniture & Fixtures	164.47	150.01	14.45
Computers	135.87	126.14	9.73
Vehicles	103.27	94.10	9.17
Total	**6,395.41**	**4,764.83**	**1,630.57**

1.2 Capital Work In Progress (CWIP) Ageing Schedule

Particulars	Amount in CWIP as at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Debottlenecking & expansion	28.98	-	-	-	**28.98**
Procurement & installation of Deep Freezer	3.50	-	-	-	**3.50**
Procurement & installation of biometric based access reader	4.82	-	-	-	**4.82**
New Chiller system	50.12	-	-	-	**50.12**
Projects temporarily suspended	-	-	-	-	-
	87.42	-	-	-	**87.42**

Particulars	Amount in CWIP as at March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Pure Steam Generator	11.40	-	-	-	**11.40**
HPLC Column	18.49	-	-	-	**18.49**
Projects temporarily suspended	-	-	-	-	-
	29.89	-	-	-	**29.89**

Note :-

1) There are no overdue projects in CWIP in terms of time and cost.

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs

2 LEASES

(i) Amounts appearing in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

	March 31, 2022	March 31, 2021	April 1, 2020
Right of Use Assets	**3,702.81**	**113.00**	**122.29**
Land	3,702.81	105.97	108.23
Warehouse	-	7.03	14.06

	March 31, 2022	March 31, 2021	April 1, 2020
Lease Liabilities	**-**	**7.60**	**14.06**
Current	-	7.60	14.06
Non-current	-	-	-

(ii) Amounts recognised in the statement of Profit or Loss for the year

Financial liabilities

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of Right of Use Assets

	March 31, 2022	March 31, 2021	April 1, 2020
Land	19.45	2.26	2.26
Warehouse	7.03	7.03	-
Total depreciation charge	**26.48**	**9.29**	**2.26**

	March 31, 2022	March 31, 2021	April 1, 2020
Interest expense on Lease Liabilities (included in finance cost)	**0.33**	**0.89**	**-**

(iii) The total cash outflow for leases during the year was :

	March 31, 2022	March 31, 2021	April 1, 2020
Operating cash flows: Interest expense	0.33	0.89	-
Financing cash flows: lease repayment	7.60	6.46	-
Total	**7.93**	**7.35**	**-**

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
3 Non Current Investments (At FVTPL)			
I Unquoted			
A) Investment in Equity Instruments			
i European Software Appliances Limited *			
FY 2021-22 - NIL (FY 2020-21 - 600 & FY 2019-20 - 600) Equity Shares of Rs 10 each fully paid-up	-	-	-
Total Investments in Equity (A)	-	-	-
II Quoted			
B) Investment in Equity Instruments			
BASF India Limited	2.47	-	-
FY 2021-22 - NIL (FY 2020-21 - 80 & FY 2019-20 - 80) Equity Shares of Rs 10 each fully paid-up			
Total Investments in Equity Instruments (B)	2.47	-	-
C) Investment in Bonds:			
Power Finance Corporation	-	10.35	10.35
FY 2021-22 - NIL (FY 2020-21 - 10 & FY 2019-20 - 10)-7.51% Series 79A Tax Free Bonds of Rs 1,00,000 each			
Total Investments in Bonds (C)	-	10.35	10.35
D) Investment in Mutual Funds:			
Investment in Debt Funds			
1 Canara Robeco Coporate Bond Fund Reg (G), formerly Canara Robeco Medium Term Opportunities Fund Growth	-	85.03	79.22
FY 2021-22 - NIL (FY 2020-21 - 490316.254 & FY 2019-20 - 490316.254) Units of Rs 10 each			
2 Franklin India Short Term Income Plan (Growth)	-	-	-
FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 8022.425) Units of Rs 1000 each			
Segregated Portfolio No.2 (10.90% Vodafone Idea Ltd-02 Sept. 2023-Growth Option)	2.98	-	-
FY 2021-22 - 3389.613 Units (FY 2020-21 - 3715.459 & FY 2019-20 - 4035.472)			
Segregated Portfolio No.3 (9.50% Yes Bank Ltd-23 Dec 2021-Growth Option)	-	-	-
FY 2021-22 - 4035.472 Units (FY 2020-21 - 4035.472 & FY 2019-20 - 4035.472)			
3 HDFC Credit Risk Debt Fund Reg - Growth,formerly HDFC Regular Savings Fund -G	-	225.54	206.19
FY 2021-22 - NIL (FY 2020-21 - 1238698.360 & FY 2019-20 - 1238698.360) Units of Rs 10 each			
4 ICICI Prudential Banking & PSU Debt Fund -Growth	-	304.47	-
FY 2021-22 - NIL (FY 2020-21 - 1218792.282 & FY 2019-20 - NIL) Units of Rs 10 each			
5 IDFC Banking PSU & Debt Fund (Growth)	-	316.62	-
FY 2021-22 - NIL (FY 2020-21 - 1646112.145 & FY 2019-20 - NIL) Units of Rs 10 each			
6 Kotak FMP Series 223-1153 Days-Growth	-	31.41	29.10
FY 2021-22 - NIL (FY 2020-21 - 249900 & FY 2019-20 - 249900) Units of Rs 10 each			
7 SBI Banking & PSU Fund Growth	-	570.13	-
FY 2021-22 - NIL (FY 2020-21 - 23261.493 & FY 2019-20 - NIL) Units of Rs 10 each			
8 Aditya Birla Sunlife Short Term Opportunities Fund-Growth	-	-	111.03
FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 334671.739) Units of Rs 10 each			
9 Kotak Credit Risk Fund (G), formerly Kotak Income Opportunities Fund (Growth)	-	-	162.21
FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 738967.219) Units of Rs 10 each			
10 Kotak Medium Term Fund (Growth)	-	-	65.85
FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 404203.103) Units of Rs 10 each			
11 Nippon India Strategic Debt Fund (G), formerly Reliance Corporate Bond Fund (G)	-	-	23.89
FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 226778.951) Units of Rs 10 each			
Segregated Portfolio 1 - Growth Plan (03GPG)			
FY 2021-22 - 478117.778 Units (FY 2020-21 - 478117.778 & FY 2019-20 - 478117.778)	1.38	-	-
Segregated Portfolio 1 - Growth Plan (04GPG)			
FY 2021-22 - NIL Units (FY 2020-21 - 226778.951 & FY 2019-20 - NIL)			
Segregated Portfolio 2 - Growth Plan (07GPG)	-	-	-
FY 2021-22 - 226778.951 Units (FY 2020-21 - 226778.951 & FY 2019-20 - NIL)			
Total Debt Funds - Growth	4.36	1,533.21	677.49
Investment in Equity Funds			
12 Aditya Birla Sunlife Frontline Equity Fund Dividend		34.33	20.28
FY 2021-22 - NIL (FY 2020-21 - 118395.985 & FY 2019-20 - 112416.048) Units of Rs 10 each			

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
13 Aditya Birla Sunlife MNC Fund Growth FY 2021-22 - NIL (FY 2020-21 - 4183.314 & FY 2019-20 - 4183.314) Units of Rs.10 each	-	38.42	26.69
14 Aditya Birla Sunlife Focused Equity Fund - G, formerly Birla Sunlife Top 100 Fund Growth FY 2021-22 - NIL (FY 2020-21 - 24122.923 & FY 2019-20 - 24122.923) Units of Rs. 10 each	-	18.25	11.05
15 Aditya Birla Sunlife Equity Hybrid'95 Fund -(G),formerly Birla Sunlife Balance 95 Fund (G) FY 2021-22 - NIL (FY 2020-21 - 3599.62 & FY 2019-20 - 3599.62) Units of Rs. 10 each	-	32.82	20.63
16 Axis Focused 25 Fund - G FY 2021-22 - NIL (FY 2020-21 - 119824.591 & FY 2019-20 - 68813.867) Units of Rs 10 each	-	44.91	16.10
17 Axis Flexi Cap Fund - G(Earlier Axis Multi Cap Fund) FY 2021-22 - NIL (FY 2020-21 - 218320.709 & FY 2019-20 - 218320.709) Units of Rs 10 each	-	33.80	22.63
18 Axis Bluechip Fund - G FY 2021-22 - NIL (FY 2020-21 - 74596.830 & FY 2019-20 - NIL) Units of Rs 10 each	-	28.88	-
19 DSP Equity & Bond Fund Reg. -Growth ,formerly DSP Black Rock Balance Fund (G) FY 2021-22 - NIL (FY 2020-21 - 29543.731 & FY 2019-20 - 29543.731) Units of Rs. 10 each	-	59.83	39.36
20 FT India Feeder Franklin US Opportunities Fund-Growth FY 2021-22 - NIL (FY 2020-21 - 88273.270 & FY 2019-20 - 68111.501) Units of Rs 10 each	-	43.24	21.69
21 Franklin India Index Nifty Fund - (G), FY 2021-22 - NIL (FY 2020-21 - 20977.087 & FY 2019-20 - 20977.087) Units of Rs. 10 each	-	24.32	14.33
22 HDFC Hybrid Equity Fund -D, formerly HDFC Balance Fund - Dividend FY 2021-22 - NIL (FY 2020-21 - 461262.472 & FY 2019-20 - 461262.472) Units of Rs 10 each	-	58.49	39.34
23 HDFC Flexi Cap Fund (Earlier Equity Fund)- Dividend FY 2021-22 - NIL (FY 2020-21 - 51400.957 & FY 2019-20 - 51400.957) Units of Rs 10 each	-	24.18	15.34
24 HDFC Hybrid Equity Fund Reg. -(G), formerly HDFC Balance Fund (G) FY 2021-22 - NIL (FY 2020-21 - 53492.972 & FY 2019-20 - 53492.972) Units of Rs. 10 each	-	36.03	22.71
25 ICICI Prudential Bluechip Fund -(G), formerly ICICI Prudential Focused Bluechip Equity Fund Growth FY 2021-22 - NIL (FY 2020-21 - 267531.057 & FY 2019-20 - 246805.571) Units of Rs 10 each	-	143.48	78.46
26 ICICI Prudential Balance advantage Fund Growth FY 2021-22 - NIL (FY 2020-21 - 809508.854 & FY 2019-20 - 809508.854) Units of Rs 10 each	-	358.13	247.47
27 ICICI Prudential Equity & Debt Fund -(G),formerly ICICI Prudential Balance Fund Growth FY 2021-22 - NIL (FY 2020-21 - 21694.871 & FY 2019-20 - 21694.871) Units of Rs 10 each	-	36.82	22.99
28 IDFC Flexi Cap Fund (formerly IDFC Multi Cap Fund -(D), formerly IDFC Premier Equity Fund Dividend FY 2021-22 - NIL (FY 2020-21 - 161917.935 & FY 2019-20 - 161917.935) Units of Rs 10 each	-	58.74	37.58
29 Korak Flexi Cap Fund (Formerly Kotak Standard Multi Cap Fund -(G),formerly Kotak Select Focus Fund (FY 2021-22 - NIL (FY 2020-21 - 153852.948 & FY 2019-20 - 114421.541) Units of Rs 10 each	-	69.17	30.91
30 SBI Healthcare Opportunities Fund Reg.-(G),formerly SBI Pharma Fund Regular Plan Growth FY 2021-22 - NIL (FY 2020-21 - 7128.346 & FY 2019-20 - 7128.346) Units of Rs. 10 each	-	13.92	8.10
31 SBI Bluechip Fund (G) FY 2021-22 - NIL (FY 2020-21 - 80018.031 & FY 2019-20 - 80018.031) Units of Rs 10 each	-	41.44	23.81
32 SBI Large & Mid Cap Fund Reg -(G),formerly SBI Magnum Multiplier Fund Reg. (G) FY 2021-22 - NIL (FY 2020-21 - 8454.908 & FY 2019-20 - 8454.908) Units of Rs 10 each	-	24.36	13.88
33 SBI Focused Equity Fund -(G), FY 2021-22 - NIL (FY 2020-21 - 17105.199 & FY 2019-20 - 17105.199) Units of Rs 10 each	-	32.00	20.49
34 SBI Magnum Global Fund -(G), FY 2021-22 - NIL (FY 2020-21 - 12861.371 & FY 2019-20 - NIL) Units of Rs 10 each		29.52	-

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI - 11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
35 Nippon India Multi Cap Fund -G, formerly Reliance Equity Opportunities Fund Growth FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 60164.085) Units of Rs 10 each	-	-	38.93
Total Equity Funds	-	1,285.07	792.77
Investment in Equity Saving Funds-Hybrid			
36 Kotak Equity Saving Fund (G) FY 2021-22 - NIL (FY 2020-21 - 300656.199 & FY 2019-20 - 300656.199) Units of Rs 10 each	-	50.44	40.16
Total Equity Saving Funds - Hybrid	-	50.44	40.16
Investment in Equity Arbitrage Funds			
37 Kotak Equity Arbitrage Fund (Growth) FY 2021-22 - NIL (FY 2020-21 - 354966.384 & FY 2019-20 - NIL) Units of Rs 10 each	-	102.81	-
38 ICICI Prudential Equity Arbitrage Fund (Growth) FY 2021-22 - NIL (FY 2020-21 - 397437.176 & FY 2019-20 - NIL) Units of Rs 10 each	-	106.51	-
39 IDFC Arbitrage Fund (Growth) FY 2021-22 - NIL (FY 2020-21 - 403571.645 & FY 2019-20 - NIL) Units of Rs 10 each	-	103.13	-
40 Kotak Equity Arbitrage Fund (MDR) FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 4563803.989) Units of Rs 10 each	-	-	487.97
41 ICICI Prudential Arbitrage Fund (MDR) FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 635610.280) Units of Rs 10 each	-	-	86.91
42 IDFC Arbitrage Fund (MDR) FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 4064473.289) Units of Rs 10 each	-	-	517.16
43 Nippon India Arbitrage Fund (MD), formerly Reliance Arbitrage Advantage Fund (MD) FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 1474021.471) Units of Rs 10 each	-	-	157.29
44 SBI Arbitrage OpportunitiesFund (DR) FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 1999190.867) Units of Rs 10 each	-	-	268.48
Total Equity Arbitrage Funds	-	312.45	1,518.31
Investment in Liquid Funds			
45 HDFC Floating Rate Debt Fund Reg - Growth FY 2021-22 - NIL (FY 2020-21 - 2266339.950 & FY 2019-20 - NIL) Units of Rs 10 each	-	859.21	-
46 SBI Floating Rate Debt Fund Reg - Growth FY 2021-22 - NIL (FY 2020-21 - 4242414.370 & FY 2019-20 - NIL) Units of Rs 10 each	-	432.66	-
47 SBI Liquid Fund Reg - Growth FY 2021-22 - NIL (FY 2020-21 - 7984.659 & FY 2019-20 - NIL) Units of Rs 10 each	-	255.76	-
Total Liquid Funds	-	1,547.63	-
Total Investment in Mutual Funds (D)	4.36	4,728.80	3,028.24
E) Investment In Subsidiary Company			
Elemar Lifesciences Pvt.Ltd. FY 2021-22 - NIL (FY 2020-21 - NIL & FY 2019-20 - 1000) Shares of Rs 100 each	-	-	1.00
Total Investment in Subsidary Company (E)	-	-	1.00
Total Non Current Investments (A+B+C+D+E)	6.83	4,739.14	3,039.58
Aggregate amount of Quoted Investments	-	4,223.56	2,956.35
Aggregate amount of Unquoted Investments	-	0.13	0.13
Market value of Quoted Investments	6.83	4,739.14	3,039.58
Aggregate provision for Diminution in value of Investments	-	0.13	0.13

* Carrying Value of the investment in European Software Appliances Limited was NIL on account of provision created in an earlier year. The same has been written off in the current year.

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HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
4	**Loans**			
	Loan to related parties	-	-	-
	Others			
	Loan Receivables considered good - Secured	-	-	-
	Loan Receivables considered good - Unsecured	20.76	28.06	31.93
	Loan Receivables which have significant increase in credit risk	-	-	-
	Loan Receivables - credit impaired	-	-	-
	TOTAL	20.76	28.06	31.93

4.1

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (Rupees in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-
Others	20.76	100%

		March 31, 2022	March 31, 2021	April 1, 2020
5	**Other Financial Assets**			
	Security Deposits	44.37	43.79	43.79
		44.37	43.79	43.79
6	**Deferred Tax Assets (Net)**			
	Deferred Tax Assets :			
	Fixed Assets & Depreciation	11.31	69.73	52.13
	Retirement Benefits	55.66	37.36	20.78
	Others	36.24	28.87	49.38
	TOTAL	103.22	135.96	122.29
7	**Non Current Tax Assets (Net)**			
	Advance Income Tax (Net of Provison for Income Tax)	75.52	-	-
		75.52	-	-
8	**Other Non Current Assets**			
	Capital Advances	195.40	31.10	-
	Deposit with Related Party	-	-	15.00
	Prepaid Expenses	4.52	6.40	7.11
	TOTAL	199.91	37.50	22.11
9	**Inventories (Valued at cost or net realisable value whichever is lower)**			
	Raw Materials	1,251.14	898.94	593.95
	Raw Materials In Transit	177.69	28.03	-
	Raw Materials - Research & Development	25.07	22.15	10.36
	Packing Materials	31.94	29.74	8.12
	Work-in-Process	1,164.05	892.86	841.22
	Finished Goods	427.08	310.76	285.64
	Stock-in-trade (in respect of goods acquired for trading)	-	2.46	0.31
	Consumables	309.26	73.53	73.47
	Stores & Spares	102.20	22.16	2.30
	Stores & Spares In Transit	98.73	-	-
	TOTAL	3,587.16	2,280.62	1,815.37

9.1 The cost of inventories consumed as an expense during the year includes Rs. 329.71 Lakhs (Previous year Rs. NIL) in respect of provisions for slow moving/ non-moving/ expired/ near expiry products.

9.2 Refer Note 49 for the inventories hypothecated as security against borrowings.

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI - 11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
10	**Trade Receivables**			
	(a) Trade Receivables considered good - Secured	-	-	-
	(b) Trade Receivables considered good - Unsecured	4,181.73	3,637.59	1,709.11
	(c) Trade Receivables which have significant increase in Credit Risk	0.34	-	0.91
	(d) Trade Receivables - Credit impaired	-	-	-
		4,182.07	3,637.59	1,710.01
	Less: ECL Provision for doubtful debts	12.55	10.91	5.13
	Less: Normal Provision for doubtful debts	0.34	-	0.91
	TOTAL	4,169.18	3,626.68	1,703.98

10.1 **Ageing As on March 31, 2022**

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	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	2,595.45	1,568.62	4.58	0.52	-	-	4,169.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-		-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-		-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-		-	-	-	-

Ageing As on March 31, 2021

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	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	3,103.82	518.95	3.12	0.79	-	-	3,626.68
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-		-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-		-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-		-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit	-	-		-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-		-	-	-	-

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

10.2 Refer Note 49 for the trade receivables hypothecated as security against borrowings.

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
11 Cash and Cash Equivalent			
Balances with Banks	**610.35**	193.76	11.84
Cheque on hand	**2,241.00**	-	-
Cash on hand	**0.72**	14.48	470.74
	2,852.08	208.24	482.58
12 Bank balance other than above			
Term deposits with original maturity more than three month but less than twelve months	**69.21**	2,548.44	1,497.44
	69.21	2,548.44	1,497.44
13 Loans			
Loan to related parties	-	-	-
Others			
Loan Receivables considered good - Secured	-	-	-
Loan Receivables considered good - Unsecured	**8.37**	12.81	14.02
Loan Receivables which have significant increase in credit risk	-	69.90	170.00
(-) Provision for loans having significant credit risk	-	-69.90	-170.00
Loan Receivables - credit impaired	-	-	-
TOTAL	**8.37**	12.81	14.02

13.1

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (Rupees in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	-	-
Others	8.37	100%

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
14 Other Current Assets			
Inter Corporate Deposits	-	1,301.00	1,266.00
Interest accrued on Term Deposit	**0.45**	55.01	24.00
Interest accrued on Security Deposits	**0.59**	1.88	3.77
Advances recoverable in cash or kind for value to be received	**1,479.59**	779.58	562.53
Prepaid Expenses	**214.90**	53.55	50.98
Advance to Vendors	**35.93**	72.70	11.68
TOTAL	**1,731.46**	2,263.71	1,918.96

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	March 31, 2020 Rupees in lakhs
15 Share Capital			
Authorised :			
50,000 Equity Shares of Rs.100 each	50.00	50.00	50.00
(Previous Year: 50,000 Shares)	50.00	50.00	50.00
Issued, Subscribed & Paid-up :			
29,075 Equity Shares of Rs.100 each, fully paid-up.			
(Previous Year : 29,075 Shares)	29.08	29.08	0.00
	29.08	29.08	0.00

15.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

(Rs. in lakhs)

Equity Shares	March 31, 2022		March 31, 2021		March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	29,075	29.08	29,075	29.08	29,075	29.08
Add: Issue of shares during the year	-	-	-	-	-	-
Less: Shares cancelled during the year	-	-	-	-	-	-
Outstanding at the end of the year	29,075	29.08	29,075	29.08	29,075	29.08

15.2 Details of shares held by Promotors at the end of the year

Name of shareholders	March 31, 2022			March 31, 2021			March 31, 2020		
	No. of shares	Percentage holding	Percentage changed during the year	No. of shares	Percentage holding	Percentage changed during the year	No. of shares	Percentage holding	Percentage changed during the year
Equity Shares of Rs 100 each									
Hemmo Pharma LLP	-	-	(69.04)	20,075	69.04	-	20,075	69.04	-
Madhu Vikram Utamsingh	-	-	(20.64)	6,000	20.64	-	6,000	20.64	-
Rekha Hemrajani	-	-	(10.32)	3,000	10.32	-	3,000	10.32	-
Piramal Pharma Limited	29,075	100.00	100.00	-	-	-	-	-	-
	29,075	100.00	-	29,075	89.68	-	29,075	89.68	-

15.3 Terms/Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs 100 per share. Each holder of Equity Share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.4 During the period of five years immediately preceding the reporting date:

(i) The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

(ii) The Company has not alloted any shares as fully paid up by way of bonus shares.

(iii) The Company has not bought back any shares.

15.5 There are no changes in Equity Share Capital due to prior period errors.

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
16 Other Equity				
General Reserve :				
Balance as per last year		**2,939.57**	2,939.57	2,939.57
	(A)	**2,939.57**	2,939.57	2,939.57
Profit & Loss Account :				
Balance as per last year		**12,648.90**	7,953.19	5,334.93
On Account of Adoption of Ind AS during the year (Refer Note 46)		-	-	77.76
Profit/(Loss) for the year from continuing operations		**(2,164.58)**	4,695.71	2,540.50
	(B)	**10,484.32**	12,648.90	7,953.19
	TOTAL (A+B)	**13,423.89**	15,588.47	10,892.76

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) For the year ended March 31, 2022

(Rs. in lakhs)

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2021	Changes in equity share capital during the year 2021-22	Balance as at March 31,2022
29.08	-	29.08	-	29.08

(2) For the year ended March 31, 2021

(Rs. in lakhs)

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2020	Changes in equity share capital during the year 2020-21	Balance as at March 31, 2021
29.08	-	29.08	-	29.08

(3) As at April 1, 2020

(Rs. in lakhs)

Balance as at April 1, 2019	Changes in Equity Share Capital due to prior period errors	Restated balance as at the April 1, 2019	Changes in equity share capital during the year 2020-21	Balance as at March 31, 2020
29.08	-	29.08	-	29.08

B. Other Equity

(1) For the year ended March 31, 2022

(Rs. in lakhs)

Particulars	General Reserve	Retained Earnings	Other Items in OCI	Total
Balance as at 1st April 2021	2,939.57	12,648.90	-	15,588.47
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	2,939.57	12,648.90	-	15,588.47
On Account of Adoption of Ind AS during the year (Refer Note 46)	-	-	-	-
Profit after tax for the year	-	(2,155.11)	-	(2,155.11)
Other Comprehensive Income (Net of tax expenses) for the year	-	-	(9.47)	(9.47)
Total Comprehensive Income for the current year	-	(2,155.11)	(9.47)	(2,164.58)
Balance as at 31st March 2022	**2,939.57**	**10,493.79**	**(9.47)**	**13,423.89**

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI * MUMBAI - 11. *

(2) For the year ended March 31, 2021

(Rs. in lakhs)

Particulars	General Reserve	Retained Earnings	Other Items in OCI	Total
Balance as at 1st April 2020	2,939.57	7,953.19	-	10,892.76
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	2,939.57	7,953.19	-	10,892.76
On Account of Adoption of Ind AS during the year (Refer Note 46)	-	-	-	-
Profit after tax for the year	-	4,726.30	-	4,726.30
Other Comprehensive Income (Net of tax expenses) for the year	-		(30.59)	(30.59)
Total Comprehensive Income for the current year	-	4,726.30	(30.59)	4,695.71
Balance as at 31st March 2021	**2,939.57**	**12,679.49**	**(30.59)**	**15,588.47**

(3) As at April 1, 2020

(Rs. in lakhs)

Particulars	General Reserve	Retained Earnings	Other Items in OCI	Total
Balance as at 1st April 2019	2,939.57	5,334.93	-	8,274.50
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	2,939.57	5,334.93	-	8,274.50
On Account of Adoption of Ind AS during the year (Refer Note 46)	-	77.76	-	77.76
Profit after tax for the year	-	2,540.50	-	2,540.50
Other Comprehensive Income (Net of tax expenses) for the year	-	-	-	-
Total Comprehensive Income for the current year	-	2,540.50	-	2,540.50
Balance as at 1st April 2020	**2,939.57**	**7,953.19**	-	**10,893.26**

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our Report of even date attached

For C N K & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.:- 101961W/W-100036

D.P.Sapre
Partner
Membership No.: 40740

Mumbai, 20th May, 2022

HEMMO PHARMACEUTICALS PVT. LTD.
114, TURF ESTATE MAHALAXMI
MUMBAI - 11

For and on behalf of the Board

Surinder Gulati
Director
DIN-07154673

Amit Bapat
Director
DIN-09219276

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
17 Long Term Provisions				
- Provision for Retirement Benefits				
Provision for Gratuity		107.56	101.88	44.71
Provision for Leave Encashment		55.10	21.02	21.85
	TOTAL	162.66	122.90	66.56
18 Non Current Tax Liabilities (Net)				
- Provision for Taxation		-	-	12.85
		-	-	12.85
19 Borrowings				
Unsecured:				
Loan from Holding Company		2,099.13	-	-
	TOTAL	2,099.13	-	-

Note : The short term unsecured loan taken from Holding Co. carries interest @ 8% p.a.

20 Trade Payables				
(A) Total outstanding dues of micro enterprise and small enterprises		-	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,114.14	1,606.17	971.23
	TOTAL	2,114.14	1,606.17	971.23

20.1 Ageing As on March 31, 2022

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	889.80	1,201.50	3.72	7.88	11.24	2,114.14
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Ageing As on March 31, 2021

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	1,352.38	222.65	13.85	8.52	8.77	1,606.17
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs	April 1, 2020 Rupees in lakhs
21 Other Financial Liabilities			
Retention Money Payable	**0.84**	0.84	0.84
Deposit Taken	**2.00**	-	-
Other Payables	**0.99**	1.64	4.65
	3.84	2.49	5.49
22 Other Current Liabilities			
Advance from Customers	**519.69**	21.85	325.32
Statutory Payables	**19.67**	65.41	28.29
TOTAL	539.37	87.26	353.60
23 Current Tax Liabilities (Net)			
Provision for Taxation	-	139.03	83.26
	-	139.03	83.26
24 Short Term Provisions			
Provision for Retirement Benefits:			
Provision for Gratuity	**46.09**	20.75	13.71
Provision for Leave Encashment	**12.42**	4.79	2.32
TOTAL	**58.50**	25.54	16.03

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs
25	**Revenue from Operations**		
a	**Sale of Products**	**14,237.38**	12,265.54
b	Sale of Services		
	- Testing Fees	**261.20**	115.54
c	**Other Operating Revenue**		
	- Export Incentive	**128.49**	306.27
	Revenue from Operations	**14,627.07**	12,687.35
25.1	**Details of Sale of Products:**		
	a. Bulk Drugs	**13,965.37**	12,104.02
	b. Formulations	**181.44**	124.70
	c. Others	**90.57**	36.82
25.2	**Earnings in Foreign Currency:**		
	F.O.B value of Exports	**10,613.82**	10,103.64
	Testing Fees	**261.20**	115.54
26	**Other Income (Net)**		
	Interest		
	- On Term Deposits	**20.38**	283.93
	- Tax Free Bond	**0.40**	0.75
	- Others	**1.56**	4.03
	Dividend received on Investments	-	7.57
	Gain on Redemption/Sale of Investments (Net)	**610.84**	114.98
	Gain on account of Exchange Differences (Net)	**190.14**	68.87
	Profit / Loss on Sale / Discard of Assets (Net)	**528.81**	7.69
	Gain / (Reversal) on fair valuation of instruments	**(508.40)**	432.35
	Miscellaneous Income	**6.61**	157.07
	TOTAL	**850.35**	1,077.24

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI - 11

HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

			March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs
27	**Cost of Materials Consumed**			
	Raw Materials Consumed:			
	Opening Stock		926.97	593.95
	Purchases		4,940.25	2,884.46
			5,867.22	3,478.41
	Less: Closing Stock		1,428.83	926.97
		(A)	4,438.39	2,551.44
	Packing Materials Consumed:			
	Opening Stock		29.74	8.12
	Purchases		92.10	65.90
			121.84	74.02
	Less: Closing Stock		31.94	29.74
		(B)	89.89	44.28
	TOTAL	(A+B)	4,528.29	2,595.72

		March 31, 2022	March 31, 2021
27.1	**Particulars of Materials Consumed:**		
	Amino Acids	1,093.96	571.24
	Additives	1.15	0.73
	Derivatives/Intermediates	46.89	25.78
	Re-Agents	512.23	251.74
	Solvents	2,125.32	1,317.20
	Other Raw materials	658.84	384.74
	Packing Materials	89.89	44.28
		4,528.29	2,595.72

		Rupees	%	Rupees	%
27.2	**Value of Materials Consumed:**				
	Imported	1,464.95	33.01	809.94	31.74
	Indigeneous	2,973.44	66.99	1,741.49	68.26
		4,438.39	100.00	2,551.44	100.00

		Rupees	%	Rupees	%
27.3	**Value of Packing Materials Consumed:**				
	Imported	24.56	27.32	13.26	29.93
	Indigeneous	65.33	72.68	31.03	70.07
		89.89	100.00	44.28	100.00

HEMMO PHARMACEUTICALS PVT. LTD.
114, TURF ESTATE MAHALAXMI
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HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs
28	**Change in Inventories**		
	Inventories at the beginning of the year		
	Finished Goods	313.22	285.95
	Work-in-Process	892.86	841.22
		1,206.08	1,127.17
	Inventories at the end of the year		
	Finished Goods	427.08	313.22
	Work-in-Process	1,164.05	892.86
		1,591.13	1,206.08
	Net (Increase)	(385.05)	(78.91)
28.1	**Values for closing and opening inventories of finished goods and work in progress:**		
	(a) Finished Goods:		
	- Opening Inventory:		
	Bulk Drugs	310.76	285.64
	Formulations	2.46	0.31
		313.22	285.95
	- Closing Inventory:		
	Bulk Drugs	427.08	310.76
	Formulations	-	2.46
		427.08	313.22
	(b) Work-in-Progress:		
	- Opening Inventory:		
	Bulk Drugs	892.86	841.22
	Formulations	-	-
		892.86	841.22
	- Closing Inventory:		
	Bulk Drugs	1,164.05	892.86
	Formulations	-	-
		1,164.05	892.86
29	**Employee Benefit Expenses**		
	Salaries, Wages and Allowances	1,810.25	1,439.46
	Contribution to Provident and Other Funds	103.37	93.23
	Workmen & Staff Welfare Expenses	107.00	59.93
	TOTAL	2,020.62	1,592.63

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI - 11

HEMMO PHARMACEUTICALS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

		March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs
30	**Finance Costs**		
	Interest and Commitment Charges		
	- Interest on Working Capital Loan	-	0.26
	- Interest expense on lease liability	0.33	0.89
	- Others	145.35	36.77
	TOTAL	145.68	37.91
31	**Other Expenses**		
	Power & Fuel	533.88	476.08
	Consumables, Glasswares, Stores & Spares	863.63	638.49
	Repairs & Maintenance:		
	- Plant & Machinery	396.87	193.03
	- Building	76.35	44.16
	- Others	199.40	148.01
	Rent	21.57	1.42
	Rates and Taxes	103.94	15.87
	Insurance	104.30	46.49
	Material Testing	111.74	96.04
	R & D Expenses	180.08	148.63
	Travelling & Conveyance	66.58	151.63
	Freight & Forwarding Charges	247.14	201.96
	Legal & Professional Fees	562.82	338.80
	Commission & Brokerage	158.66	101.28
	Advertisement and Publicity	4.86	2.52
	Donations (Refer Note 31.3)	73.81	41.37
	Payment to Auditors (Refer Note 31.1)	14.16	5.05
	Loss on discard/sale of Asset (Net)	-	-
	Bad Debts	-	2.26
	Provision For Doubtful Debts	1.97	5.79
	Miscellaneous Expenses	378.58	333.78
	TOTAL	4,100.37	2,992.65
31.1	**Payment to Auditors:***		
	For Statutory Audit	6.00	3.50
	For Taxation matters	1.50	1.00
	For Other Services	6.63	0.55
	For Reimbursement of expenses	0.04	-
		14.16	5.05
	* Excludes GST		
31.2	**Expenditure incurred in Foreign Currency:**		
	Bank Charges	7.15	11.24
	Commission & Brokerage	153.03	92.34
	Fees and Subscription	45.90	105.88
	Legal & Professional Fees (Includes Rs. 5,601.19 Lakhs shown as Exceptional Item)	5,797.83	163.20
	Material Testing	16.67	19.58
	R & D Expenses	34.66	44.08
	Repairs to Machinery	137.94	68.24
	Travelling & Conveyance	14.23	-
	Consumables	390.08	226.66

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HEMMO PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2022

	March 31, 2022 Rupees in lakhs	March 31, 2021 Rupees in lakhs
31.3 Amount spent by the company towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013.		
(i) Gross amount required to be spent by the company during the year	73.66	41.26
(ii) Amount of expenditure incurred	73.70	41.26
(iii) Shortfall at the end of the year	Nil	Nil
(iv) Total of previous years shortfall	Nil	Nil
(v) Reason for shortfall		
(vi) Nature of CSR activities	Aspirational District Collaborative (District Transformation Program) - Education	Mid day meals to economically disadvantaged community
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant AS	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil
32 Exceptional Items		
Legal & Professional Fees (Refer Note 64)	5,601.19	-
	5,601.19	-

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33 Contingent liabilities in respect of:

(a) Bills discounted **Rs. NIL** (Previous Year Rs. NIL)
(b) Bank Guarantees outstanding **Rs. 60.05 Lakhs** (Previous Year Rs. 23.84 Lakhs)
(c) Estimated amount of contracts remaining to be executed on capital account (Net of advances) not provided for **Rs. 539.86 Lakhs** (Previous Year Rs. 26.50 Lakhs)
(d) Estimated Income Tax demand **Rs. 42.27 Lakhs** (Previous Year Rs. 47.59 Lakhs)
(e) Sales Tax demand disputed in Appeal **Rs. NIL** (Previous Year Rs. 9.35 Lakhs)

34 CIF Value of Imports:

(Rs. in lakhs)

	2021-2022	2020-2021
Raw Materials	**1,711.93**	775.80
Packing Materials	**19.48**	10.81
Consumable Stores	**390.08**	226.66
Capital Assets	**6.13**	108.14

35 Disclosure of Derivative Instruments:

a) Derivative instruments outstanding as at 31st March, 2022 are as follows:
Forward exchange contracts to hedge the foreign currency exposure for payments to be made against imports – NIL

b) Foreign Currency exposure not hedged by a derivative contract or otherwise as at 31st March, 2022:

(Rs. in lakhs)

	Currency	**2021-2022**	2020-2021
I	Amount Receivable	**2,362.65**	2,669.65
II	Amount Payable	**1,010.86**	334.77

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Notes to the financial statements for the year ended 31st March, 2022

6 Employee Benefits:

The Company has adopted Revised Accounting Standard on Employee Benefits (AS-15) issued by the Institute of Chartered Accountants of India. The following disclosures are made as required under AS-15:

a. Defined Contribution Plan:

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The Company has recognised **Rs. 73.44** Lakhs (Previous year Rs. 62.45 Lakhs) towards Provident Fund, ESIC and Super annuation contributions in the Statement of Profit and Loss.

b. Defined Benefits Plan:

The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31st March, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Changes in the Obligation:

(Rs. in lakhs)

Particulars	Gratuity	
	2021-22	2020-21
Obligation at the beginning of the year	188.92	123.66
Service cost	17.15	18.50
Interest Cost	11.43	7.67
Actuarial (Gains)/Losses	11.60	44.64
Past Service Cost	-	-
Benefits paid	(28.98)	(5.55)
Prior Year Charge		
Obligations at the end of the year	200.12	188.92

Change in the fair value of Plan assets:

(Rs. in lakhs)

Particulars	Gratuity	
	2021-22	2020-21
Fair value of plan assets at the beginning of the year	66.29	65.24
Expenses deducted from the fund	-	-
Expected return on plan assets	4.01	4.16
Contributions	6.20	2.99
Benefits paid	(28.98)	(5.55)
Actuarial Gains/(Losses)	(1.05)	(0.55)
Fair value of plan assets at the end of the year	46.47	66.29

Amount recognised in Balance Sheet:

(Rs. in lakhs)

Particulars	Gratuity	
	2021-22	2020-21
Present value of defined benefit obligation at the end of the year	200.12	188.92
Fair value of plan assets at the end of the year	(46.47)	(66.29)
Liability recognised in balance sheet	153.65	122.63

Balance sheet reconciliation:

(Rs. in lakhs)

Particulars	Gratuity	
	2021-22	2020-21
Net liability at the beginning of the year	122.63	58.41
Expenses recognised during the year	37.22	67.20
Contributions during the year	(6.20)	(2.99)
Net liability as at the end of the year	153.65	122.63

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Amounts recognised in the Statement of Profit and Loss (Including OCI):

(Rs. in lakhs)

Particulars	Gratuity	
	2021-22	2020-21
Current service cost	17.15	18.50
Interest cost	11.43	7.67
Expected return on plan assets for the year	(4.01)	(4.16)
Net Actuarial (Gains)/Losses	12.65	45.19
Prior Year Charge	-	-
Expenses deducted from the fund	-	-
Expenditure recognised in the profit and loss account	37.22	67.20

Actual return on Plan Assets:

(Rs. in lakhs)

Particulars	Gratuity	
	2021-22	2020-21
Expected return on plan assets for the year	4.01	(4.16)
Actuarial Gains /(Losses)	(1.05)	(0.55)
Actual return on plan assets	2.96	(4.71)

Percentage of each category of Plan Assets to fair value of Plan assets:

Particulars	Gratuity	
	2021-22	2020-21
Insurer managed funds	100.00%	100.00%
Discount Rate Current	6.41%	6.05%
Rate of return on Plan assets Current	6.41%	6.05%
Salary escalation Current	10.00%	10.00%
Attrition rate	15.00%	15.00%

Other disclosures:

a) Gratuity is payable to all employees at the rate of 15 days salary for each completed year of service or as per Company's scheme whichever is more beneficial to the employees.

b) Salary escalation is considered in line with the Industry practice considering promotion and demand and supply of the employees.

Experience adjustment:

Rupees in lakhs

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Gratuity					
Defined benefit obligation	200.12	188.92	123.66	86.48	80.64
Fair Value of Plan Assets	46.47	66.29	65.24	61.27	37.21
Surplus / (deficit)	(153.65)	(122.63)	(58.41)	(25.21)	(43.43)
Experience adjustments on plan liabilities Loss / (Gains)	11.60	44.64	8.87	(6.69)	(7.63)
Experience adjustments on plan assets Loss / (Gains)	1.05	0.55	1.03	0.56	0.19

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Disclosure of transactions between the Company and related parties and the status of outstanding balances as on March 31, 2022

List of Related Parties

A. Holding Companies

Piramal Pharma Limited (PPL) (W.e.f. 22.06.2021) - Holding Company

Piramal Enterprises Limited (PEL) (W.e.f. 22.06.2021) - Ultimate Holding Company

B. Key Managerial Personnel

Madhu Utamsingh, Managing Director (Upto 22.06.2021)

C. Non Executive/Independent Directors

Madhu Utamsingh (W.e.f. 22.06.2021)

D. Other Related Parties

Savita Hemrajani - Mother of Madhu Utamsingh

Hemmo Pharma LLP

Hemrajani Family Trust

Details of transactions with related parties

(Rs. in lakhs)

Details of Transactions (Including Taxes)	Holding Company		Other Related Parties		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Sale of Investment in Subsidiary Co.						
- Hemmo Pharma LLP	-	-	-	1.00	-	1.00
- Madhu Utamsingh	-	-	-	0.00	-	0.00
Sale of Fixed Assets						
- Hemmo Pharma LLP	-	-	575.00	-	575.00	-
Purchase of Fixed Assets						
- Piramal Pharma Limited	140.66	-	-	-	140.66	-
Assignment of Loan						
- Hemmo Pharma LLP	-	-	0.10	-	0.10	-
Rent Expense						
- Hemmo Pharma LLP	-	-	19.68	0.09	19.68	0.09
- Savita Hemrajani	-	-	0.60	0.90	0.60	0.90
- Hemrajani Family Trust	-	-	-	0.30	-	0.30
Staff Welfare Expenses						
- Piramal Enterprise Limited	0.71	-	-	-	0.71	-
Reimbursement of Expenses (Payable/Paid)						
- Piramal Enterprise Limited	9.93	-	-	-	9.93	-
Purchase of Goods						
- Piramal Pharma Limited	0.05	-	-	-	0.05	-
Receiving of Services						
- Piramal Pharma Limited	3.54	-	-	-	3.54	-
Loans Taken						
- Piramal Pharma Limited	3,500.00	-	-	-	3,500.00	-
Loans Repaid						
- Piramal Pharma Limited	1,400.87		-	-	1,400.87	-
Interest (Payable/ Paid)						
- Piramal Pharma Limited	136.15			-	136.15	-

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Compensation of key managerial personnel/ Non-executive Director

The remuneration of directors and other members of key managerial personnel during the period was as follows:

(Rs. in lakhs)

Particulars	FY 2021-22	FY 2020-21
Managerial Remuneration (Upto 22.06.2021)	56.49	278.37
Professional Fees (W.e.f. 22.06.2021)	270.66	-

Balances of related parties

(Rs. in lakhs)

Account Balances	Holding company		Other Related Parties		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Loans Outstanding (Payable)						
- Piramal Pharma Limited	2,099.13	-	-	-	2,099.13	-
Other Payable						
- Madhu Utamsingh	-	-	-	200.00	-	200.00
- Savita Hemrajani	-	-	0.04	-	0.04	-
- Piramal Enterprises Limited	0.71	-	-	-	0.71	-

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Notes to Financial Statement for the year ending March 31, 2022

38 Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (as detailed in notes 15, 16 and 19 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

(Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
Total Equity	**13,452.96**	**15,617.54**
Short Term Borrowings	2,099.13	-
Long Term Borrowings	-	-
Current Maturities of Long Term Borrowings	-	-
Total Debt	**2,099.13**	-
Cash & Cash equivalents	(2,852.08)	(208.24)
Bank balances other than above	(69.21)	(2,548.44)
Net Debt	**(822.16)**	**(2,756.68)**
Debt/Equity Ratio	**(0.06)**	**(0.18)**

The terms of the Secured loans and borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Debt Service Coverage Ratio, Fixed Asset Coverage Ratio, etc. The Company is broadly in compliance with the said covenants.

39 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 Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's management is responsible for liquidity, funding as well as settlement management. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding including its promoter companies.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company 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 March 31, 2022 and March 31, 2021 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in lakhs)

Maturities of Financial Liabilities	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2,099.13	-	-	-
Trade Payables	2,114.14	-	-	-
Lease Liability	-	-	-	-
Other Financial Liabilities	3.84	-	-	-
	4,217.11	-	-	-

Maturities of Financial Liabilities	March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	-	-	-	-
Trade Payables	1,606.17	-	-	-
Lease Liability	7.60	-	-	-
Other Financial Liabilities	2.49	-	-	-
	1,616.26	-	-	-

40 Market Risk

(a) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instrument in its portfolio.

The exposure of the Company's borrowing to interest rate risk at the end of the reporting period is mentioned below:

(Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	2,099.13	-
	2,099.13	-

(b) Foreign Currency Risk Management

Major portion the Company's revenue is earned from exports made in US Dollars (USD). Consequently, the Company is exposed to foreign exchange risk through its sales in United States. The exchange rate between the Rupee and USD may fluctuate in the future. Consequently, the results of the Company's operations are adversely effected as the rupee appreciates against this currency.

Particulars of foreign currency exposure as at the reporting date

	March 31, 2022		March 31, 2021	
	FC in lakhs	Rs. in Lakhs	FC in lakhs	Rs. in Lakhs
Receivables (USD)	25.09	1,901.95	33.98	2,480.09
Receivables (EURO)	5.47	460.70	2.20	189.56
Payables (USD)	10.15	769.16	3.75	276.37
Payables (EURO)	2.41	202.67	0.61	53.19
Payables (CHF)	0.48	39.03	-	-
Payables (GBP)	-	-	0.05	5.22

The following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against INR:

Sensitivity analysis

March 31, 2022

Increase/ Decrease	Total Assets in FC (FC in lakhs)	Total Liabilities in FC (FC in lakhs)	Change in exchange rate (Rs.)	Impact on Profit or Loss for the year (Rs. in lakhs)
Increase by 5%# (USD)	25.09	10.15	3.79	56.64
Increase by 5%# (EURO)	5.47	2.41	4.21	12.90
Increase by 5%# (CHF)	-	0.48	4.10	(1.95)
Decrease by 5%# (USD)	25.09	10.15	(3.79)	(56.64)
Decrease by 5%# (EURO)	5.47	2.41	(4.21)	(12.90)
Decrease by 5%# (CHF)	-	0.48	(4.10)	1.95

Currency USD

March 31, 2021

Increase/ Decrease	Total Assets in FC (FC in lakhs)	Total Liabilities in FC (FC in lakhs)	Change in exchange rate (Rs.)	Impact on Profit or Loss for the year (Rs. in lakhs)
Increase by 5%# (USD)	33.98	3.75	3.69	111.59
Increase by 5%# (EURO)	2.20	0.61	4.34	6.91
Increase by 5%# (GBP)	-	0.05	5.07	(0.26)
Decrease by 5%# (USD)	33.98	3.75	(3.69)	(111.59)
Decrease by 5%# (EURO)	2.20	0.61	(4.34)	(6.91)
Decrease by 5%# (GBP)	-	0.05	(5.07)	0.26

Holding all the other variables constant.

As at March 31, 2022, net exposure to foreign curreny fluctuation risk was Rs. 1,351.78 Lakhs (Previous Year: Rs. 2,334.87 Lakhs)

(c) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The maximum exposure to the credit risk at the reporting date is from trade receivables amounting to Rs.2,362.65 Lakhs as of March 31, 2022 (previous year: Rs. 2,669.65 Lakhs).

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41 Income taxes relating to operations

(Rs. in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) *Income tax recognised in profit or loss*		
Current tax		
In respect of the current year	1,262.00	1,511.00
In respect of prior years	(1.50)	-
	1,260.50	**1,511.00**
Deferred tax		
In respect of the current year	35.93	(3.38)
In respect of Other Comprehensive Income	(3.18)	(10.29)
	32.75	**(13.67)**
Total income tax expense recognised in the current year relating to continuing operations	**1,293.25**	**1,497.33**
(b) Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation	(3.18)	(10.29)
Total income tax recognised in other comprehensive income	**(3.18)**	**(10.29)**
(c) *Deferred tax balances*		
The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:		
Deferred tax assets	103.22	135.96
Deferred tax liabilities	-	-
	103.22	**135.97**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of tax expense during the year ended March 31, 2022

(Rs. in lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Fixed Assets & Depreciation	69.73	(58.42)	-	11.31
Retirement Benefits	37.36	15.12	3.18	55.66
Others	28.87	7.37	-	36.24
Total	**135.96**	**(35.93)**	**3.18**	**103.22**

Movement of tax expense during the year ended March 31, 2021

(Rs. in lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Fixed Assets & Depreciation	52.13	17.60	-	69.73
Retirement Benefits	20.78	6.28	10.29	37.36
Others	49.38	(20.50)	-	28.87
Total	**122.29**	**3.38**	**10.29**	**135.96**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021
Profit/ (Loss) before tax from continuing operations	(871.34)	6,184.83
Income tax expense calculated at 25.168% (2020-21: 25.168%)	(219.30)	1,556.60
Effect of expenses that are not deductible in determining profit	1,481.10	100.91
Tax provision for earlier years	(1.50)	(8.21)
Reversal of Deferred Tax on actualisation at the time of Income Tax	-	-
Others	32.95	(160.18)
Income tax expense recognised in profit or loss	1,293.25	1,489.12

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The tax rate used for the reconciliations above is the corporate tax rate of 25.168% (previous year: 25.168%) payable by the company in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realisability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realised. 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 carried forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based upon this, the Company believes that it is probable that the Company 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.

Hemmo Pharmaceuticals Private Limited
Notes to Financial Statement for the year ending March 31, 2022

42 Financial Instruments

(Rs. in lakhs)

a)

Categories of Financial Instruments:	March 31, 2022		March 31, 2021	
	Amortised Cost	Fair Value	Amortised Cost	Fair Value
Financial Assets				
Cash & Bank Balances	2,921.29	2,921.29	2,756.68	2,756.68
Trade Receivables	4,169.18	4,169.18	3,626.68	3,626.68
Other Financial Assets	80.32	80.32	4,823.80	4,823.80
	7,170.79	7,170.79	11,207.16	11,207.16
Financial liabilities				
Borrowings	2,099.13	2,099.13	-	-
Trade Payables	2,114.14	2,114.14	1,606.17	1,606.17
Other Financial Liabilities	3.84	3.84	2.49	2.49
Lease Liabilities	-	-	7.60	7.60
	4,217.11	4,217.11	1,616.26	1,616.26

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 Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. in lakhs)

Financial Liabilities	March 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed					
Borrowings (including Current Maturities of Long Term Debt)	2,099.13	-	-	2,099.13	2,099.13

(Rs. in lakhs)

Financial Liabilities	March 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed					
Borrowings (including Current Maturities of Long Term Debt)	-	-	-	-	-

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 approximates 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-the-counter 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 and ICDs included in level 3.

Valuation techniques used to determine the fair values:

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.

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Hemmo Pharmaceuticals Private Limited
Notes to Financial Statement for the year ending March 31, 2022

43 **Segment Information:**
The Company is engaged in the manufacture of peptides, which is the only reportable business segment. None of the other activities qualify for segment reporting.

44 The Company has not received intimation from any of its suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and therefore, no disclosure in respect of the same is provided.

45 Earnings Per Share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

	2021-22	2020-21
Net Profit/(Loss) available to Equity Shareholders Before Exceptional Items (Rs. in lakhs)	3,446.07	4,726.30
Net Profit/(Loss) available to Equity Shareholders After Exceptional Items (Rs. in lakhs)	(2,155.11)	4,726.30
Weighted average number of Equity Shares (No's)	29,075	29,075
Nominal value of each Equity Shares (Rs.)	100.00	100.00
Basic and Diluted Earning Per Share (Before Exceptional Items) (Rs.)	11,852.36	16,255.55
Basic and Diluted Earning Per Share (After Exceptional Items) (Rs.)	(7,412.25)	16,255.55

46a **Transition to Ind AS**

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2020 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below.

Exemptions and Exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:

Deemed cost for property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Ind AS Mandatory Exceptions:

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

A. Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVTPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

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(Rs. in lakhs)

	Notes	As at March 31, 2021 (End of last period presented under previous GAAP)	As at April 1, 2020 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		**15,113.80**	**10,844.07**
Measurement of loss allowance on certain financial assets (including commitments) using the expected credit loss model	a	(10.91)	(5.13)
Measurement of financial assets at FVTPL	b	515.23	82.89
Implementation of Ind AS 116 on Leases	c	(0.57)	-
Total adjustments to equity		**503.75**	**77.76**
Total equity under Ind AS		**15,617.54**	**10,921.83**

46b Reconciliation of total comprehensive income for the year ended March 31, 2021:

(Rs. in lakhs)

	Notes	Year ended 31/03/2021 (Latest period presented under previous GAAP)
Profit as per previous GAAP		**4,269.72**
Adjustments:		
Measurement of loss allowance on certain financial assets (including commitments) using the expected credit loss model	a	(5.79)
Measurement of financial assets at FVTPL	b	432.35
Implementation of Ind AS 116 on Leases	c	(0.57)
Total effect of transition to Ind AS		**425.99**
Profit for the year as per Ind AS		**4,695.71**
Other comprehensive income for the year (net of tax)		-
Total comprehensive income under Ind AS		**4,695.71**

Notes

a) Under Previous GAAP, provision for doubtful loans and receivables was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, including trade receivables needs to be calculated using the expected credit loss model. Accordingly, an additional provision was recognized as at March 31, 2021 of Rs.10.91 Lakhs and Rs.5.13 Lakhs as at April 1, 2020. As a result, the total equity was decreased by Rs.10.91 Lakhs and Rs.5.13 Lakhs as on March 31, 2021 & April 1, 2020 respectively and the profit for the year ended March 31, 2021 decreased by Rs.5.79 Lakhs.

b) Under previous GAAP, investments were carried at cost less diminution in value, which is other than temporary whereas under Ind AS investments are measured at cost less diminution in value, which is other than temporary. Under Ind AS, these financial assets have been classified as FVTPL. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by Rs.515.23 Lakhs as at March 31, 2021 and by Rs.82.89 Lakhs as at April 1, 2020. The profit for the year ended March 31, 2021 increased by Rs.432.35 Lakhs on account of the same.

c) Under previous GAAP, payments made under operating leases were charged to statement of profit and loss on a straight-line basis over the period of the lease. Ind AS 116 requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals. In the Statement of Profit and Loss, lessees presents interest expense on the lease liability and depreciation on the right-of-use asset. On the date of transition to Ind AS, company has adopted modified retrospective method resulting to a decrease in Equity by Rs.0.57 Lakhs as at March 31, 2021 and Rs.NIL as at April 1, 2020. The profit for the year ended March 31, 2021 decreased by Rs.0.57 Lakhs on account of the same.

46c Impact of Ind AS adoption on the Statements of Cash flows for the year ended March 31, 2021:

(Rs. in lakhs)

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash flow from Operating Activities	880.87	1,057.46	1,938.33
Net Cash flow from Investing Activities	(1,154.19)	(1,051.00)	(2,205.19)
Net Cash flow from Financing Activities	(1.02)	(6.46)	(7.48)
Net increase/(decrease) in cash and cash equivalents	**(274.34)**	**(0.00)**	**(274.34)**

The adjustments are primarily on account of reclassification of Deposit more than three months and lease payments under Ind AS 116.

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47 Lease Arrangements

Effective April 01, 2020, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2020 using the modified retrospective method of transition. Accordingly, comparatives for the year ended March 31, 2020 have not been retrospectively adjusted. The Company's lease asset classes primarily consist of leases for land and warehouse.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (threshold Rs. 0.25 Lakhs per month). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. We have lease of Rs. 16.68 Lakhs for which lease period is less than 12 months, so it is falling under short term lease & Rs. 0.60 Lakhs which fall under low value case.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

48 The Company conducts research and development to find new sustainable chemical routes for peptide based pharmaceutical products, to develop synthesis processes for scaling up to manufacturing of such developed products and to improve the existing products and processes.

The Company has its research and development centre at Thane, Maharashtra.

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facility of the Company for the year are as follows:

(Rs. in lakhs)

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue Expenditure	180.08	148.63
Total	**180.08**	**148.63**
Capital Expenditure, Net		
Additions to Property Plant & Equipment	25.15	48.67
Additions to Intangibles under Development	-	-
Less: Sale proceeds of the assets and Transfer of the Assets	-	-
Less: Credit for transfer of R&D assets out of R&D centre	-	-
Total	**25.15**	**48.67**

49 The Company has been sanctioned Working Capital Limit of Rs. 2,500 Lakhs (As on March 31, 2021 Rs. NIL) by the Bank against Trade Receivables and Inventories which are hypothecated as a security.

50 The Board of Directors of the Company, at their meeting held on October 7, 2021, has inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), the Company, 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 the PEL to PPL,
(ii) the amalgamation of CCPL and the Company (both being wholly owned subsidiaries of PPL) into PPL,
(iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into PEL.

The Implementation of the Scheme, is subject to the necessary approvals, sanctions and consents being obtained.

51 There are no proceedings initiated or pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

52 The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

53 There are no Investment properties held by the company.

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54 There are no unrecorded transactions, which have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961.

55 There is no trading entered into or Investment's made in Crypto Currency or Virtual Currency during the year.

56 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in a Party identified by or on behalf of the Company (Ultimate Beneficiaries). There are no funds received from any Party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57 During the year current year, the company has not made any Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment.

58 During the year, company has got sanctioned letter from banks on the basis of security of current assets and has submitted quarterly returns or statements of current assets filed by the Company with banks and are in agreement with the books of accounts.

59 The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

60 Compliance with number of layers of companies as per Clause 87 of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017, during the year.

61 The Company does not have any undisclosed income for the year ended March 31, 2022 and March 31, 2021.

62 During the year, the company has not taken any term loan from any banks or financial institutions.

63 During the year, on 22nd June 2021, all the equity shares of the Company have been acquired by Piramal Pharma Limited in terms of tripartite agreement entered in the preceding year between Piramal Pharma Limited, the shareholders of the Company and the Company.

64 Exceptional item denotes fees paid to a technical consultant in terms of consultancy agreement upon acquisition of the shares of the Company by Piramal Pharma Limited (Refer Note 63).

65 **Previous Year Figures:**
The figures for the previous year have been regrouped / reclassified wherever necessary to conform to current year's classification.

For C N K & ASSOCIATES LLP
Chartered Accountants
Firm Registration No.:- 101961W/W-100036

D.P.Sapre
Partner
Membership No.: 40740

Mumbai, 20th May, 2022

For and on behalf of the Board

Surinder Gulati	Amit Bapat
Director	Director
DIN-07154673	DIN-09219276

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Hemmo Pharmaceuticals Private Limited

Notes forming part of the Financial Statements as at 31st March, 2022

A. CORPORATE INFORMATION:

Hemmo Pharmaceuticals Private Limited ("The Company") formerly known as Jashan Textiles Private Limited was incorporated on November 07, 1979. The Company is in the business of manufacturing peptides for the last 36 years. It is India's first and largest manufacturer of synthetic peptides catering to Pharmaceutical, Research and Veterinary industries within India and overseas.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The standalone Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 and other relevant provisions of the said Act. The accounting policies adopted in the preparation of Financial Statements are consistent with those of the previous year 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.

C. SIGNIFICANT ACCOUNTING POLICIES:

(i) System of Accounting:

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis. Financial Statements are based on historical cost basis except for certain assets, liabilities and plan assets of defined benefit plans that are measured at fair values at the end of reporting period. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1. Presentation of Financial Statements. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee which is also the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than Rs. 5,000/- is presented as Rs. 0.00 lakhs.

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(ii) Use of estimates and judgements:

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

(iii) Tangible assets:

All Property, Plant & Equipment's are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property, Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation

Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013, which are as follows:

Asset Class	Useful Life
Buildings	30 years to 60 years
Furniture & fixtures	10 years
Plant & Machinery	1 year to 20 years
Office Equipment	3 years to 5 years

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

(iv) Intangible assets:

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

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

Asset Class	**Useful Life**
Computer software	3 years to 6 years

(v) Capital work-in-progress:

Capital Work in Progress are stated at cost to date relating to items or project in progress, incurred during construction/ pre-operative period. .

(vi) Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or 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 recognized 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 the Company 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Impairment of financial assets

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

De-recognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or

- retains the contractual rights to receive the cash flows from the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company 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

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the financial asset, the financial asset is not derecognised. On de-recognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

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 Company 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.

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 Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future

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cash payments (including all fees and points 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.

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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.

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) Leases

The Company has implemented the Ind AS 116 "Leases" as notified by Ministry of Corporate Affairs on 30th March 2019 through the Companies (Indian Accounting Standard) Amendment Rules, 2019.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases (threshold Rs. 0.25 Lakhs per month), the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.
The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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
4. Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

(ix) Investments:

Investments that are readily realisable and are intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at cost or fair value, whichever is lower. Non-current investments are carried at FVTPL. However, provision for diminution in the value of these investments is made, where in the opinion of the Board of Directors, the diminution is other than temporary. The same is made for each investment individually.

(x) Inventories:

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Stores. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. In case of work in progress and finished goods, cost is arrived at on average cost basis. In case of others, cost is arrived at on FIFO 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, import duties and other taxes (other than subsequently recoverable by the entity from the taxing authorities).

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(xi) Cash and Cash Equivalents:

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

(xii) Foreign Exchange Transactions:

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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.

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(xiii) Borrowing Costs:

Borrowing Costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets up to the date the assets are ready for intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

(xiv) Earnings per Share:

Basic earnings per share is calculated by dividing the net profit / loss for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit / loss for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

Earnings per share before and after exceptional items are separately disclosed.

(xv) Revenue recognition:

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

Sale of goods: Revenue from sale of goods is recognised when control of the product has transferred to the buyer based on the applicable incoterms and there is no unfulfilled obligation that could affect the buyer's acceptance of the product and the Company has objective evidence that all criteria for acceptance have been satisfied. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

Interest & Dividend: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable. Dividend income is recognised when the right to receive the payment is established.

Other operating Income (MEIS and Duty Drawback): Income from MEIS and duty drawback is recognised in the period in which it is accrued.

(xvi) **Research and Development Expenditure:**

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

Research and Development expenditure of revenue nature is written off in the year in which it is incurred. Capital Expenditure for Research & Development are included under fixed assets and depreciated on the same basis as other fixed assets.

(xvii) **Employee Benefits:**

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefits obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least

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twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The company operates the following post-employment schemes:

- Defined Contribution plans such as provident fund

- Defined Benefit plans such as Gratuity

In case of Provident fund, contributions are made to the Regional Provident Fund Office.

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. contribution to defined contribution schemes such as Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(xviii) Provisions and Contingent liabilities:

Provisions are recognised in the accounts in respect of present obligations as a result of a past event and it is probable that an outflow of resource will be required to settle the obligation, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events and their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will

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be required to settle the obligation or a reliable estimate of the amount cannot be made.

(xix) Tax Provision:

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 Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements 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.

However, Deferred tax assets in case of carry forward of unused tax losses is recognised only to the extent of sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised.

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 assets and the liabilities 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.

D. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES:

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

Fair Valuation:

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Impairment tests of non-current assets:

The carrying amount of the Company's non-current assets is tested for impairment whenever events or changes in circumstances indicate that the carrying amount will not be recovered. If such analysis indicates an excessive carrying amount, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less selling costs, and its value in use. Value in use is measured as the discounted future cash flows of the asset.

Useful life of Assets:

Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Company. Depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed

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periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred Tax:

Deferred Tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the period in which those temporary differences and tax loss carry forwards become deductible. The company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in near term if estimates of future taxable income during the carry forward period are reduced.

The following standards / amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- **Indian Accounting Standard (Ind AS) 103** – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date.
  Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.

- **Indian Accounting Standard (Ind AS) 109** - Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities

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- **Indian Accounting Standard (Ind AS) 16** - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- **Indian Accounting Standard (Ind AS) 37** - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts

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Independent Auditor's Report

To The Members of
PHL Fininvest Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of PHL Fininvest Private Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit 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 Financial Statements* section of our report. We are independent of the Company 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter:

We draw your attention to the Note 34.3 (e) to the standalone financial statements regarding the assessment made by management relating to impact of COVID-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

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Chartered Accountants

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board Report including annexures to the Board report but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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.

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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 standalone financial statements.

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability 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 standalone 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 entity to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 an identified misstatements in the standalone financial statements.

We communicate with those charged with governance 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.

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Other Matters:

(i) The financial statements of the Company for the year ended March 31, 2021 included in these financial statements, were audited by the predecessor independent auditor who had expressed an unmodified opinion on those statements on May 13, 2021.

(ii) Attention is drawn to note no. 36 of the standalone financial statements with regard to the composite scheme of arrangement between the Company and Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), Piramal Enterprises Limited ('PEL').

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.

(c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company

(h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company has disclosed the impact of pending litigations on its financial performance in its financial statements. [Refer note no 26 to standalone financial statements]

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented, that to the best of their knowledge and belief, 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 Company 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, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement. [Refer note 36.7 and 36.8 to the standalone financial statements.]

v. The Company has not declared or paid dividend during the financial year 2021-22. Accordingly, reporting under rule 11 (f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 22044101AJULAM9168

Place: Mumbai
Date: May 25, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of PHL Fininvest Private Limited of even date:

i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:

A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE and relevant details of right-of-use assets.

B. The Company does not have any intangible assets as at March 31, 2022.

b. During the year the management has carried out physical verification of certain PPE. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its PPE. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties and hence reporting under clause 3(i)(c) is not applicable to the Company.

d. The Company has not revalued any of its PPE (including right- of-use assets) during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

e. In our opinion and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company. [Refer note no. 36.3 to the standalone financial statements]

ii. (a) The Company is engaged in providing financial services primarily into non-banking financial services (NBFC). Accordingly, it does not hold any inventories and hence reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores on the basis of security of current assets by banks and financial institutions during the year and hence reporting under of clause 3(ii)(b) of the Order are not applicable to the Company.

iii. In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) The Company is engaged in providing financial services primarily into non-banking financial services (NBFC) and hence reporting under Clause 3(iii)(a) and 3(iii)(e) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, in respect of Investment made and the loans granted during the year, the terms and conditions thereof are not prejudicial to the interest of the Company. However, the Company has not given any guarantee or nor provided any security during the year.

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(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipts of interest has been delayed in few cases. However, having regard to the nature of business and the volume of the information involved, it is not practicable to provide a itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) In respect of loans granted by the Company, which has been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of principal amounts and interests:

Number of cases	Principal amount overdue (Rs. in lakhs)	Interest Overdue (Rs. in lakhs)	Total Overdue (Rs. in lakhs)
3 – Wholesale loan cases	13,037	12,146	25,184
1058 – Retail loan cases	91	11	102

(e) The Company has not granted any loans or advances in the nature of loans during the year either payable on demand or without specifying any terms or period of repayment during the year and hence reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence reporting under clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under Clause 3(v) of the Order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the central government has not specified the maintenance of cost records under section 148(1) of the Act for the services of the Company and hence reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

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(b) According to the information and explanations given to us and on the basis of our examination of the records, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute except as disclosed below:

Name of the statute	Nature of dues	Amount Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15	Assessment year 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	3,791	Assessment year 2019-20	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2,028	Assessment year 2020-21	Commissioner of Income Tax (Appeal)

viii. According to the information and explanations given to us and on the basis of our examination of the records, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of information and explanations given to us and on the basis of our examination of the records, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the term loans have been applied for the purposes they have been raised.

(d) On an overall examination of the standalone financial statements, in our opinion the Company has not utilized funds raised on short term basis for long term purposes.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiary and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

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(b) According to the information and explanations given to us and based on our examination of the records and on the basis of our examination of the records, the Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order are not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) Based on our audit procedures performed and according to the information and explanation given to us, no whistle blower complaints were received during the year by the Company and hence provisions of clause 3(xi)(c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standards. (Refer note no. 30 of the standalone financial statements)

xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.

xv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

xvi. (a) The Company being a NBFC is registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) Since, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(b) and (c) of the Order is not applicable to the Company.

LODHA & CO. MUMBAI-01 Chartered Accountants

(c) In our opinion, there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been a resignation of the statutory auditors of the Company during the year and there were no issues, objections or concerns raised by the outgoing auditors and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and on the basis of our examination of the records, there are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects and hence reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101
UDIN: 22044101AJULAM9168

Place: Mumbai
Date: May 25, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of PHL Fininvest Private Limited of even date:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the PHL Fininvest Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

LODHA & CO. MUMBAI-01 Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.
A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the standalone financial statements and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No 44101
UDIN: 22044101AJULAM9168

Place: Mumbai
Date: May 25, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

PHL Fininvest Private Limited

Standalone Balance Sheet
as at March 31, 2022

(Currency : Rs in lakhs)

		Note	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	**Financial assets:**			
	Cash and cash equivalents	3	43,228	41,236
	Loans	4	7,79,861	9,06,997
	Investments	5	2,43,356	2,97,125
	Other financial assets	6	1,307	10,535
2	**Non- financial assets:**			
	Current tax assets (net)	7	10,468	9,963
	Deferred tax assets (net)	8	14,277	13,363
	Right of use assets	10	1,174	1,305
	Property, Plant and Equipment	10	503	387
	Intangible assets under development	10	-	17
	Other non-financial assets	9	13,704	19,200
	Total Assets		11,07,878	13,00,128
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities:**			
	Payables			
	Trade payables	11		
	(i) Total outstanding dues to micro and small enterprises		4	1
	(ii) Total outstanding dues to creditors other than micro and small enterprises		788	521
	Debt securities	12 (i)	1,41,755	2,83,743
	Borrowings (other than debt securities)	12 (ii)	40,599	-
	Deposits	12 (iii)	3,57,439	4,90,139
	Other financial liabilities	13	1,625	2,339
2	**Non- financial liabilities:**			
	Provisions	15	1,863	2,177
	Other non- financial liabilities	14	694	647
	Equity			
	Equity share capital	16	62,868	62,868
	Other equity	17	5,00,243	4,57,693
	Total Liabilities and Equity		11,07,878	13,00,128
	Significant accounting policies	2		

The notes no 1 to 38 form an integral part of the standalone financial statements.

As per our report of even date attached.

For Lodha & Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Place : Mumbai
Date : May 25, 2022

For and on behalf of the Board of Directors of PHL Fininvest Private Limited

Khushru Jijina
Managing Director
DIN: 00209953
Mumbai

Narayanan Vaghul
Director
DIN: 00002014
Chennai

Devesh Choudhari
Chief Financial Officer
Mumbai

Namrata Sajnani
Company Secretary
Mumbai

External Public

PHL Fininvest Private Limited

Standalone Statement of Profit and Loss

For the year ended March 31, 2022

(Currency : Rs in lakhs)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	18 (a)		
Interest income		1,35,538	1,91,151
Fees and commission income		1,066	105
Net gain on fair value changes		20,193	9,536
Total revenue from operations		1,56,797	2,00,792
Other income	18 (b)	257	-
Total income		1,57,054	2,00,792
Expenses			
Finance costs	19 (a)	84,338	1,11,747
Fees and commission expense	19 (b)	279	1,297
Net loss on derecognition of financial instruments under amortised cost category	20 (a)	-	2,346
Impairment on financial instruments	20 (b)	3,143	8,831
Employee benefits expense	21	4,876	2,912
Depreciation, amortization and impairment	10	452	241
Other expenses	22	6,615	6,897
Total expenses		99,703	1,34,271
Profit before tax		57,351	66,521
Less: Tax expenses			
Current tax		15,745	19,992
Deferred tax	8	(2,127)	(2,585)
Deferred tax pertaining to earlier years		1,205	-
		14,823	17,407
Profit for the year		42,528	49,114
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability/(asset)		30	(63)
Income tax relating to items that will not be reclassified to profit or loss		(8)	16
Other comprehensive income		22	(47)
Total comprehensive income for the year		42,550	49,067
Earnings per equity share (Basic and Diluted) (Rs.) (Face value of Rs. 10 each)	24	6.76	7.81
Significant accounting policies	2		

The notes no 1 to 38 form an integral part of the standalone financial statements

As per our report of even date attached.

For Lodha & Co.
Chartered Accountants
Firm's Registration No. 301051E

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Place : Mumbai
Date : May 25, 2022

For and on behalf of the Board of Directors of PHL Fininvest Private Limited

Khushru Jijina
Managing Director
DIN: 00209953
Mumbai

Narayanan Vaghul
Director
DIN: 00002014
Chennai

Devesh Choudhari
Chief Financial Officer
Mumbai

Namrata Sajnani
Company Secretary
Mumbai

PHL Fininvest Private Limited

Standalone Cash Flow Statement

For the year ended March 31, 2022

(Currency Rs in lakhs)

		March 31, 2022	March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	57,351	66,521
	Adjustments		
	Short term capital gain on mutual fund	(848)	(337)
	Gain on de-recognition of lease	(47)	-
	Finance costs - expenses	84,503	1,06,331
	Finance costs - paid	(79,625)	(1,06,466)
	Unrealised (gain) on investment in AIF	(4,190)	(2,949)
	Unrealised (gain)/ loss on investment in debentures and loans and advances	(448)	(808)
	Unrealised (gain)/ loss on investment in shares	345	-
	Loss on derecognition of financial assets	-	2,346
	Allowance for expected credit loss on loans and loan commitments	3,143	8,831
	Derecognition of Intangibles under development	17	-
	Depreciation and amortisation	452	241
	Operating cash flow before working capital changes	60,653	73,710
	Decrease / (Increase) in loans and advances	1,21,618	1,05,946
	Decrease / (Increase) in investments	60,747	1,64,462
	Decrease / (Increase) in other financial assets	9,228	(3,150)
	Decrease / (Increase) in other non-financial assets	5,496	4,583
	Increase / (Decrease) in trade payables	267	(2,829)
	(Decrease) / Increase in other financial liabilities	(600)	627
	(Decrease) / Increase in provisions	417	(3)
	(Decrease) / Increase in other non financial liabilities	47	359
	Cash generated from operations	2,57,873	3,43,705
	Less. Income taxes paid	(16,252)	(21,450)
	Net cash generated from operating activities (a)	2,41,621	3,22,255
B	**Cash flow from investing activities**		
	Fixed assets purchased	(245)	(430)
	Investment in Shares	(1,011)	-
	Investment in subsidiary	-	(10)
	Investments in mutual funds	(1,92,000)	(1,00,000)
	Redemptions from mutual funds	1,92,848	1,00,337
	Net cash flow used in investing activities (b)	(408)	(103)
C	**Cash flow from financing activities**		
	Debts securities taken during the year	-	1,79,000
	Borrowing taken during the year	75,628	-
	Deposits taken during the year	75,600	6,29,500
	Debts securities repaid during the year	(1,47,497)	(1,26,111)
	Borrowing repaid during the year	(34,228)	(25,889)
	Deposits repaid during the year	(2,08,300)	(9,46,290)
	Lease liabilities repaid during the year	(425)	(262)
	Share issue expenses	-	(50)
	Net cash flow used in financing activities (c)	(2,39,221)	(2,90,103)
	Net increase in cash and cash equivalents (a+b+c)	1,992	32,050
	Cash and cash equivalents as at beginning of the year	41,236	9,186
	Cash and cash equivalents as at end of the year	43,228	41,236

The notes no 1 to 38 form an integral part of the standalone financial statements.
As per our report of even date attached

For Lodha & Co.
Chartered Accountants
Firm's Registration No. 301051E

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Place : Mumbai
Date : May 25, 2022

For and on behalf of the Board of Directors of PHL Fininvest Private Limited

Khushru Jijina
Managing Director
DIN 00209953
Mumbai

Narayanan Vaghul
Director
DIN 00002014
Chennai

Devesh Choudhari
Chief Financial Officer
Mumbai

Namrata Sajnani
Company Secretary
Mumbai

PHL Fininvest Private Limited

Standalone Statement of changes in equity
For the year ended March 31, 2022

(Currency : Rs in lakhs)

A. Equity share capital:

Particulars	**Amount**
Balance as at April 1, 2020	**62,868**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	62,868
Changes in equity share capital during the year ended March 31, 2021	-
Balance as at April 1, 2021	**62,868**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	62,868
Changes in equity share capital during the year ended March 31, 2022	-
Balance as at March 31, 2022	**62,868**

B. Other equity:

Particulars	**Reserves and surplus**				**Total**
	Securities Premium	**General Reserve**	**Statutory Reserve Fund**	**Retained Earnings**	
Balance as at April 1, 2020	4,03,433	7	4,255	981	4,08,676
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 1, 2020	**4,03,433**	**7**	**4,255**	**981**	**4,08,676**
Add: Profit during the year	-	-	-	49,114	49,114
Add: Other comprehensive income (net of tax)	-	-	-	(47)	(47)
Addition / (Deletion) during the year	(50)	-	-	-	(50)
Transfer to Statutory Reserve Fund	-	-	9,813	(9,813)	-
Balance as at April 1, 2021	**4,03,383**	**7**	**14,068**	**40,235**	**4,57,693**
Add: Profit during the year	-	-	-	42,528	42,528
Add: Other comprehensive income (net of tax)	-	-	-	22	22
Transfer to Statutory Reserve Fund	-	-	8,506	(8,506)	-
Balance as at March 31, 2022	**4,03,383**	**7**	**22,574**	**74,279**	**5,00,243**

As per our report of even date attached

For Lodha & Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Place : Mumbai
Date : May 25, 2022

For and on behalf of the Board of Directors of PHL Fininvest Private Limited

Khushru Jijina
Managing Director
DIN: 00209953
Mumbai

Narayanan Vaghul
Director
DIN: 00002014
Chennai

Devesh Choudhari
Chief Financial Officer
Mumbai

Namrata Sajnani
Company Secretary
Mumbai

PHL Fininvest Private Limited

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

(Currency : Rs in lakhs)

1A. GENERAL INFORMATION

PHL Fininvest Private Limited ('the Company') was incorporated under the Companies Act, 1956 on June 8, 1994 with its registered and operational office in Mumbai.
The Company was issued a registration certificate no. B-13.01347 dated June 26, 2000, by the Reserve Bank of India ('RBI') under section 45 – IA of the RBI Act, 1934 to commence / carry on the business of non – banking financial institution without accepting public deposits.
The primary activities of the Company involve lending / investing.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of financial statements

The standalone financial statements ("Standalone financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) 34 Interim Financial Reporting and the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value and prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for Standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs.
Any applicable guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

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.

Company's standalone financial statements are presented in Indian Rupees (INR), which is also its functional currency.

ii) Basis of accounting

The standalone 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.

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

iii) Use of Estimates and Judgements

The preparation of the 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.
1. Impairment of financial assets - Note 34
2. Fair Valuation of financial assets and liabilities - Note 32
3. Measurement of defined benefit obligations; key actuarial assumptions

PHL Fininvest Private Limited

Notes to the Standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

2. SIGNIFICANT ACCOUNTING POLICIES

i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of 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.
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 and Equipment are as stated below:

Furniture & Fixture	10 years
Office Equipment	5 years
Computer - End user device	3 years
Leasehold Improvements	Amortised on SLM over lease tenure

ii) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the 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 technical know-how fees and testing charges 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:

Computer Software	6 years

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

Individual fixed assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

PHL Fininvest Private Limited

Notes to the Standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

iii) Financial instruments

Recognition and initial measurement

Financial assets (including Lease rental discounting assets) and financial liabilities are recognised when the Company 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

Classification

Financial assets that meet the following conditions are subsequently measured at amortised cost:

● the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

● the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

● the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

● the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt instruments

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

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

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

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

PHL Fininvest Private Limited

Notes to the Standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

iii) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. The Company has a dedicated Asset Monitoring team which evaluates asset performance on a continued basis to flag of early warning signals. Probability of default 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. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1) Significant negative deviation in the business plan of the borrower
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the borrower
4) Need for refinance of loan due to change in cash flow of the project
5) Significant decrease in the value of collateral
6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure, the Company 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 Standalone Statement of Profit and Loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

PHL Fininvest Private Limited

Notes to the Standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

iii) Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Company 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.

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points 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.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the Company and the 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.

iv) Employee benefits

Employee benefits include provident fund, compensated absences and long term service awards. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

Defined contribution plans

The Company's contribution to provident fund to the Regional Provident Fund office are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

The Company contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

PHL Fininvest Private Limited

Notes to the Standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

v) 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

vi) Revenue recognition

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Loan processing fees income is accounted for on effective interest basis. Arranger fees / Asset monitoring fees income is accounted for on accrual basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably). The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

vii) Exceptional items

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

viii) Leases

The Company 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 Company 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 Company 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 Company 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 Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company 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.

PHL Fininvest Private Limited

Notes to the Standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

ix) 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 Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements 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.

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.

x) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xi) 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.

xii) Earnings per share

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

xiii) Securities issue expense
Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium reserve as per the provisions of section 52 of the Companies Act, 2013.

PHL Fininvest Private Limited

Notes to the standalone financial statements *(Continued)*
as at March 31, 2022

		As at March 31, 2022	As at March 31, 2021
3	**Cash and cash equivalents**		
	Cash on hand	1	-
	Balances with banks	43,227	41,236
	Total cash and cash equivalents	**43,228**	41,236
4	**Loans**		
	Loans within India		
	Term loan to borrowers - at amortised cost		
	- Secured by tangible assets, considered good	6,01,139	7,79,009
	Less: Allowance for impairment loss (expected credit loss allowance)	(16,933)	(26,753)
	- Unsecured, considered good	25,202	-
	Less: Allowance for impairment loss (expected credit loss allowance)	(542)	-
	Term loan to borrowers - at FVTPL		
	- Secured by tangible assets, considered good	41,601	68,067
	Term loan to borrowers - at amortised cost		
	- Significant increase in Credit Risk - Secured	95,987	72,526
	Less: Allowance for doubtful debts (expected credit loss allowance)	(15,409)	(9,907)
	- Significant increase in Credit Risk - Unsecured	159	-
	Less: Allowance for doubtful debts (expected credit loss allowance)	(5)	-
	Term loan to borrowers - at amortised cost		
	- Credit impaired - Secured	64,006	50,419
	Less: Allowance for doubtful debts (expected credit loss allowance)	(34,849)	(26,364)
	- Credit impaired - Unsecured	361	-
	Less: Allowance for doubtful debts (expected credit loss allowance)	(273)	-
	Intercorporate deposit measured at amortised cost		
	- Unsecured, considered good	20,396	-
	Less: Allowance for doubtful debts (expected credit loss allowance)	(979)	-
	Total loans	**7,79,861**	9,06,997

Note: During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

		As at March 31, 2022	As at March 31, 2021
5	**Investments**		
	Investments within India		
	Measured at Cost		
	Unquoted Equity Investments (fully paid)		
	1,00,000 shares (Previous year: 1,00,000 shares) In Subsidiary- Piramal Finance Sales and Service Private Limited	10	10
		10	10
	Measured at Fair Value through Profit and Loss		
	Quoted Equity Investments (fully paid)		
	8,57,026 shares (Previous year: Nil)Investment in Shriram Properties Limited	666	-
	Total	**666**	-
	Measured at Amortised Cost		
	Debt Securities		
	Quoted Investments (fully paid)		
	2277 units (Previous year: Nil)Redeemable Non Convertible Debentures of Archean Chemical Industries Limited	24,775	-
	Total	**24,775**	-
	Less: Allowance for impairment loss	(1,189)	-
	Total	**23,586**	-
	Unquoted Investments (fully paid)		
	Redeemable Non Convertible Debentures	1,02,663	1,99,913
	Total	**1,02,663**	1,99,913
	Less: Allowance for impairment loss	(3,710)	(7,020)
	Total	**98,953**	1,92,893
	Instruments at Fair Value through Profit and Loss		
	Unquoted Investments (fully paid)		
	Nil (Previous year: 4,86,851 units) Investment in security receipts of India Resurgence ARC Trust I	-	4,869
	Investment in Alternate Investment fund (AIF)- India Housing Fund - Series 2 closed ended scheme of IIFL Private Equity Fund-- Category AIF-2	-	47,075
	Investment in Alternate Investment fund (AIF)- Piramal Structured Credit Opportunities Fund -closed ended scheme- Category AIF-2	16,112	4,598
	Investment in Alternate Investment fund (AIF)- Asia Real Estate II India Opportunity Trust -closed ended scheme- Category AIF-2	1,04,028	47,680
	Total	**1,20,140**	1,04,222
	Total investments	**2,43,356**	2,97,125
	Aggregated book value of quoted investments	**26,108**	-
	Aggregated market value of quoted investments	**26,108**	-
	Aggregated book value of unquoted investments	**2,22,803**	3,04,135
	Aggregated amount of impairment in value of investments	-	-

Note: During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

		As at March 31, 2022	As at March 31, 2021
6	**Other financial assets**		
	Security Deposits	5	6,546
	Other receivable	120	3,131
	Unsecured, considered good		
	To related parties		
	Piramal Capital & Housing Finance Limited	698	680
	Piramal Corporate Services Private Limited	-	178
	Piramal Investment Advisory Services Private Limited	483	-
	Total other financial asset	**1,307**	10,535
7	**Current tax assets (Net)**		
	Advance Tax (net of Provision of Rs. 58,345 lakhs, 31 March 2021 Rs. 42,601 lakhs)	10,468	9,963
	Total current tax assets (net)	**10,468**	9,963
8	**Deferred tax assets (Net)**		
	Deferred tax assets	17,017	18,889
	Deferred tax liabilities	2,740	5,526
	Total deferred tax assets (Net)	14,277	13,363

Movement of deferred tax during the year

Particulars	**Opening balance as on March 31, 2021**	**Recognised in Profit and loss**	**Recognised in Other comprehensive income**	**Closing balance as on March 31, 2022**
Movement in deferred tax assets and liabilities:				
Property, Plant and Equipment	(22)	43	-	21
Unamortised portion of expenses	(3,757)	1,389	-	(2,367)
Provision for compensated absence	38	13	-	51
Provision for gratuity	17	93	(8)	101
Lease as per IND AS 116	14	4	-	18
Provision on loans and investments as per ECL	18,123	(1,205)	-	16,918
Deferment of interest income due to EIR and fair valuation of FVTPL instruments	697	(768)	-	(71)
Deferment of interest expense due to EIR	(1,747)	1,354	-	(394)
Total	13,363	922	(8)	14,277

Particulars	**Opening balance as on March 31, 2020**	**Recognised in Profit and loss**	**Recognised in Other comprehensive income**	**Closing balance as on March 31, 2021**
Movement in deferred tax assets and liabilities:				
Property, Plant and Equipment	-	(22)	-	(22)
Unamortised portion of expenses	(5,146)	1,389	-	(3,757)
Provision for compensated absence	19	19	-	38
Provision for gratuity	21	(20)	16	17
Lease as per IND AS 116	1	12	-	14
Provision on loans and investments as per ECL	15,900	2,223	-	18,123
Deferment of interest income due to EIR and fair valuation of FVTPL instruments	703	(6)	-	697
Deferment of interest expense due to EIR	(737)	(1,010)	-	(1,747)
Total	10,762	2,585	16	13,363

9	**Other non-financial assets**		
	Goods and service tax credit receivable	4,145	3,776
	Advance for expenses	95	19
	Advance processing fees paid	9,407	14,927
	Prepaid expenses	57	478
	Total other non-financial assets	**13,704**	**19,200**

External Public

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

(Currency : Rs in lakhs)

10 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Cost				Accumulated Depreciation / Amortisation				Net Carrying Amount
	Opening As at April 1, 2021	Additions during the year	Deductions	As at March 31, 2022 (A)	Opening As at April 1, 2021	Charge for the year	Deductions	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)
Tangible Assets									
Leasehold Improvement	188	-	-	188	14	38	-	52	136
Office Equipment	75	14	-	89	5	17	-	22	67
Computer	47	231	-	278	13	63	-	76	202
Furniture	113	-	-	113	4	11		16	97
Right of use assets	1,531	1,155	1,178	1,508	226	324	216	334	1,174
Total (I)	1,954	1,400	1,178	2,176	262	453	216	499	1,677
Intangibles under development (II)	17	-	17	-	-	-	-	-	-
Grand Total (I+II)	1,971	1,400	1,195	2,176	262	453	216	499	1,677

Particulars	Cost				Accumulated Depreciation / Amortisation				Net Carrying Amount
	Opening As at April 1, 2020	Additions during the year	Deductions	As at March 31, 2021 (A)	Opening As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021 (B)	As at March 31, 2021 (A-B)
Tangible Assets									
Leasehold Improvement	-	188	-	188	-	14	-	14	174
Office Equipment	-	75	-	75	-	5	-	5	70
Computer	10	37	-	47	4	9	-	13	34
Furniture	-	113	-	113	-	4	-	4	109
Right of use assets	353	1,178	-	1,531	18	208	-	226	1,305
Total (I)	363	1,591	-	1,954	22	240	-	262	1,692
Intangibles under development (II)	-	17	-	17	-	-	-	-	17
Grand Total (I+II)	363	1,608	-	1,971	22	240	-	262	1,709

Amount in Intangible assets under development as at 31.03.2021				
CWIP	Less than 1 year	1-2 years	More than 3 years	Total
Projects in progress				
Intangible - Retail Salesforce	17	-	-	17
Total	17	-	-	17

External Public

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

		As at March 31, 2022	As at March 31, 2021
11	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises	4	1
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	Others	772	129
	Trade payables to related parties (refer note 31)	16	392
	Total trade payables	**792**	522

Outstanding for following periods from the due date

Trade Payable as at 31.03.2022	Not Due	Less then 6 months	6m-1 yr	1yr-2yr	2yr-3yr	3 yr and above
MSME	-	4	0	0	-	-
Others	-	787	-	1	0	0
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**791**	**0**	**1**	**0**	**0**

Trade Payable as at 31.03.2021	Not Due	Less then 6 months	6m-1 yr	1yr-2yr	2yr-3yr	3 yr and above
MSME	-	1	-	-	-	-
Others	-	520	1	-	-	-
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**521**	**1**	**-**	**-**	**-**

		As at March 31, 2022	As at March 31, 2021
12 (i)	**Debt securities**		
	Debt securities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (Secured)	1,41,755	2,83,743
	Total debt securities	**1,41,755**	2,83,743

A. Maturity profile of debt securities

As at 31 March 2022

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest				
10.25%	1,41,755	-	-	1,41,755
Total	1,41,755	-	-	1,41,755

As at 31 March 2021

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest				
8.50-10.25%	68,072	2,15,671	-	2,83,743
Total	68,072	2,15,671	-	2,83,743

B. Rate of interest, nature of security and term of repayment in case of secured debenture

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity due date	First installment payment date
Nil (previous year 25,210) Secured , Unrated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs 420,071 (previous year Rs. 913,130) 9% per annum from date of allotment till 6th April, 2020 8.85% per annum from 7th April, 2020 till maturity	First exclusive charge by hypothecation/ pledge over the identified financial assets including all receivables therefrom.	The NCD's are repayable in 36 months and 8 days from the date of allotment. ; with put option	**-**	1,05,900	6th April, 2022	6th May, 2019
400 (previous year - nil) Secured ,Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 (previous year - nil) 8.10% per annum from date of allotment till maturity	A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets including all receivables therefrom	The NCD's are repayable in 18 months from the date of allotment.	**-**	4,000	11th February, 2022	13th August, 2020
1,100 (previous year - 1,400) Secured , Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 (previous year - 1,000,000) 10.25% per annum from date of allotment till maturity	A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets of the holding company including all receivables therefrom	The NCD's are repayable in 24 months and 15 days from the date of allotment.	**1,10,000**	1,40,000	30th December, 2022	30th December, 2021
275 (previous year - 350) Secured , Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 (previous year - Rs. 1,000,000) 10.25% per annum from date of allotment till maturity	A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets of the holding company including all receivables therefrom	The NCD's are repayable in 23 months and 1 days from the date of allotment.	**27,500**	35,000	30th December, 2022	30th December, 2021

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

12 (ii) Borrowings (other than debt securities)

Borrowings in India measured at amortised cost		
Term Loans (secured)		
-From Banks	39,127	-
Working capital demand loan / short term borrowings		
Commercial Papers (unsecured)	1,472	-
Total Borrowings (other than debt securities)	**40,599**	**-**

A. Maturity profile of Borrowings (other than debt securities)

As at 31 March 2022

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest				
6.75% - 7.69%	6,476	34,123	-	40,599
Total	6,476	34,123	-	40,599

As at 31 March 2021

Maturities	<1 year	1-3 years	>3 years	Grand Total
Rate of Interest				
	-	-	-	-
Total	-	-	-	-

B. Rate of interest, nature of security and term of repayment in case of Term loans from others

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity due date	First installment payment date
Charge by way of hypothecation created over secured assets	Pari-passu charge by way of hypothecation on the loan portfolio/ receivables that are standard and receivables arising out of investments that the Excluded receivables	Repayable in 34 quarterly installments as per repayment schedule commencing from 30th Jun 2023.	**4,000**	-	31st March, 2026	30th June, 2023

12 (iii) Deposits

Intercorporate deposit from related party (Unsecured)		
Piramal Enterprises Limited	2,87,364	3,74,864
Piramal Capital & Housing Finance Limited	70,075	1,15,275
Total deposits	**3,57,439**	**4,90,139**

13 Other financial liabilities

Advance received	0	-
Payable to employees	357	325
Other payable	22	654
Lease Liabilities	1,246	1,360
Total other current financial liabilities	**1,625**	2,339

14 Other non- financial liabilities

Statutory dues payable	694	647
Total other non- financial liabilities	**694**	647

15 Provisions

Provision for employee benefits		
Gratuity (refer Note 31)	404	67
Compensated absence	200	150
Impairment allowance on commitments (refer note 34.3(b) and 26(b))	1,259	1,960
Total provisions	**1,863**	**2,177**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

	As at March 31, 2022	As at March 31, 2021
16 Equity share capital		
Authorized share capital:		
Opening balance: 5,000,000,000 (31 March 2021: 5,000,000,000) equity shares of INR 10 each	**5,00,000**	5,00,000
Additions during the year: Nil (31 March 2021: Nil) equity shares of INR 10 each	**-**	-
Total	**5,00,000**	5,00,000
Issued, subscribed and paid up capital:		
Equity shares		
Opening balance 628,684,777 (31 March 2021: 628,684,777) equity shares of INR 10 each	**62,868**	62,868
Add: issued during the year Nil (31 March 2021: Nil) equity shares of INR 10 each	**-**	-
Total	**62,868**	62,868

Particulars of shareholder holding more than 5% shares of a class of shares

Name of the shareholder,	March 31, 2022	March 31, 2021
628,684,777 (31 March 2021: 628,684,777) equity shares of INR 10 each Piramal Enterprises Limited (100% holding company)	**62,868**	62,868

Rights, preferences and restrictions attached to shares

Equity shares

(i) The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled for one vote per share. There are no restriction on payment of dividend to equity shareholders. Upon winding up of the company, the holders of equity share will be entitled to receive balance assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend on shares

A Dividend of Rs. 3.35 per equity share (face value of Rs. 10/- each) (Previous year Rs. Nil) has been recommended by the Board of Directors which is subject to approval of Shareholders.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

		As at March 31, 2022	As at March 31, 2021
17	**Other equity**		
	Security premium (refer note 17.1)	**4,03,383**	4,03,383
	General reserve (refer note 17.2)	**7**	7
	Statutory reserve fund (refer note 17.3)	**22,574**	14,068
	Retained earnings (refer note 17.4)	**74,279**	40,235
	Total other equity	**5,00,243**	4,57,693
17.1	**Security premium**		
	Opening balance	**4,03,383**	4,03,433
	Addition during the year	**-**	(50)
	Closing balance	**4,03,383**	4,03,383

Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

17.2	**General reserve**		
	Opening balance	**7**	7
	Addition during the year	**-**	-
	Closing balance	**7**	7

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

17.3	**Statutory reserve fund**		
	Reserve Fund u/s 45-IC (1) of RBI Act, 1934		
	Opening balance	**14,068**	4,255
	Addition during the year	**8,506**	9,813
	Closing balance	**22,574**	14,068

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 March 31, 2022, the company has transferred an amount of Rs. 8,506 lakhs (31 March 2021 Rs. 9,813 lakhs), being 20% of profit after tax computed in accordance with IND AS.

17.4	**Retained earnings**		
	Opening balance	**40,235**	981
	Net profit for the year	**42,528**	49,114
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	**22**	(47)
	Less: Transfer to statutory reserve fund	**(8,506)**	(9,813)
	Closing balance	**74,279**	40,235

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors and can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

		For the year ended March 31, 2022	Year ended March 31, 2021
18 (a)	**Revenue from operations**		
(i)	Interest income		
	Interest income measured at amortised cost:		
	- on investments	17,853	49,837
	- on loans and advances	1,09,438	1,35,056
	Interest income- on investments measured at FVTPL	8,247	6,258
	Total interest income	**1,35,538**	**1,91,151**
(ii)	Fee and commission Income		
	- processing / arranger fees	1,066	103
	- asset monitoring fees	-	2
	Total fee and commission Income	**1,066**	**105**
(iii)	Net gain on fair value changes		
	Income on investments measured at FVTPL		
	Unrealised		
	Gain / (Loss) on investments in debentures measured at FVTPL	-	-
	Gain on investments in loans and advances measured at FVTPL	448	808
	Gain / (Loss) on investments in AIF measured at FVTPL	4,190	2,949
	Gain / (Loss) on investments in shares measured at FVTPL	(345)	-
	Gain/ (Loss) on fair value of investment in mutual fund	-	-
	Realised		
	Gain / (Loss) on investments in loans and advances measured at FVTPL	(1,124)	-
	Gain on investments in AIF measured at FVTPL	16,176	5,442
	Gain on fair value of investment in mutual fund	848	337
	Total gain on fair value changes	**20,193**	**9,536**
	Total Revenue from operations	**1,56,797**	2,00,792
18 (b)	**Other income**		
	Other non-operating income	257	-
	Total other income	**257**	**-**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

		For the year ended March 31, 2022	Year ended March 31, 2021
19 (a)	**Finance costs**		
	Interest expense measured at amortised cost		
	Interest on deposits	44,284	79,281
	Interest on borrowings	1,593	2,306
	Interest on debt securities	38,296	30,057
	Other Interest expense	165	103
	Total finance costs	**84,338**	1,11,747
19 (b)	**Fees and commission expense**		
	Fees and commission expense	279	1,297
	Total fees and commission expense	**279**	1,297
20 (a)	**Net loss on derecognition of financial instruments- under amortised cost category**		
	Loss on derecognition of financial assets	-	2,346
		-	2,346
20 (b)	**Impairment on financial instruments (expected credit loss allowance)**		
	Measured at amortised cost		
	Loans	5,966	17,721
	Investments	(2,122)	(8,859)
	Others including undisbursed commitment	(701)	(31)
	Total impairment on financial instruments	**3,143**	8,831
21	**Employee benefits expense**		
	Salaries and wages	4,521	2,621
	Contribution to provident and other fund	198	121
	Provision for leave encashment	68	101
	Staff welfare expenses	30	43
	Provision for gratuity	59	26
	Total employee benefits expense	**4,876**	2,912
22	**Other expenses**		
	Corporate social responsibility expenses (refer note 35)	1,230	720
	Rates and taxes, excluding taxes on income	1	93
	Travelling and conveyance	15	5
	Legal and professional fees	3,747	3,870
	Royalty	1,284	1,629
	Postage and communication	30	3
	Demat charges	20	55
	Other expenses	239	452
	Payments to auditors		
	- as auditor	33	43
	- for other services	16	27
	Total other expenses	**6,615**	6,897

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
as at March 31, 2022

		Period ended March 31, 2022	Year ended March 31, 2021
23	**Income Taxes**		
a.	**Recognised in Standalone Statement of Profit and Loss**		
	Current Tax	**15,745**	19,992
	In respect of the current year		
	Deferred Tax		
	In respect of the earlier year	1,205	-
	In respect of the current year	(2,127)	(2,585)
	Total income taxes	**14,823**	17,407

b. **The income tax expense for the year can be reconciled to the accounting profit as follows:**

	Rs in Lakhs		Effective tax rate reconciliation	
	Year ended March 31, 2022	Year ended March 31, 2021	**Year ended March 31, 2022**	Year ended March 31, 2021
Profit before tax from continuing operations	57,351	66,521		
Income tax expense calculated at 25.17% (Previous year at 29.12%)	14,435	16,743	25.17%	25.17%
Tax effect of disallowance:				
Donation	310	274	0.54%	0.41%
Interest on Service Tax and TDS	-	15	0.00%	0.02%
Effect of difference in amortised cost and carrying amount of Loans and Advances	86	359	0.15%	0.54%
Reclass to Other comprehensive income for remeasurement of defined benefit obligation	(8)	16	-0.01%	0.02%
Income tax expense recognised in profit or loss	14,823	17,407	**25.85%**	**26.17%**
Effective tax rate	**25.85%**	26.17%		

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

24 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act 2013.

The computation of earnings per share is set out below:

Description	**As at March 31, 2022**	As at March 31, 2021
Net profit attributable to equity shareholders	**42,528**	49,114
Weighted average number of equity shares outstanding during the year for calculation of EPS	**62,86,84,777**	62,86,84,777
Basic and Diluted EPS of face value of INR 10	**6.76**	7.81

The basic and diluted EPS is same as there are no potential dilutive equity shares.

25 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as under:

Particulars	**Year ended March 31, 2022**	Year ended March 31, 2021
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at	3.97	1.36
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.15	-
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	968.14	63.17
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act,	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already	1.91	0.65
(g) Further interest remaining due and payable for earlier years	-	-

26 (a) Contingent liabilities

Particulars	**March 31, 2022**	March 31, 2021
Claim against the Company not acknowledged as debt		
Income tax / TDS appeal filed in respect of disputed demands where the company is in appeal	**5,995**	5,995

The Company is of the view that the above demands may not devolve on the Company and hence no provision has been made.

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Company 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 Company 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 Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

26 (b) Commitment

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Company.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

27 Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly the same is not applicable to the Company.

28 Significant transactions during the year

(a) During the year, the Company has acquired a portion of lending portfolio comprising of loan book assets of Rs.49,953 lakhs (Previous year Rs. 376,223 lakhs) from its fellow subsidiary Piramal Capital & Housing Finance Limited paid in cash. Further, the Company has transferred a portion of loan book assets of Rs 21,523 lakhs (previous year Rs 486,547 lakhs) to its fellow subsidiary Piramal Capital & Housing Finance Limited received in cash.

(b) Investment in Non-Convertible Debentures and Term loans are mortgaged/hypothecated to the extent of Rs. Nil (As on March 31, 2021 - Rs. 247,007 lakhs) as a security against long-term secured borrowings as at March 31, 2022.

(c) Piramal Enterprises Limited (Holding Company) has provided financial assistance to the Company in the form of equity shares and Inter-corporate deposits. These monies are raised by Piramal Enterprises Limited in the form of long term secured borrowings for which Investment in Non-Convertible Debentures and Term loans of the Company are mortgaged/hypothecated to the extent of Rs. 179,089 lakhs (As on March 31, 2021 - Rs. 266,793 lakhs).

(d) During the year, the Company has down sold its assets which were measured at amortised cost of Rs. Nil (Previous year - Rs 51,125 lakhs)

29 Lease disclosure as Leasee
The Company has office premises on lease basis. The lease period range from 3 years to 5 years.
Details for the lease as leasee are as under:

i. Right-of-use assets
Right-of-use assets related to lease properties that do no meet definition of investment property are presented as Property, plant and equipment

	Office premises	
	Year ended March 31, 2022	Year ended March 31, 2021
Particulars		
Opening balance	**1,305**	335
Depreciation charge for the year	**(324)**	(208)
Addition to right-of-use assets	**1,155**	1,178
Derecognition of right-of-use assets	**(962)**	-
Closing balance	**1,174**	1,305

ii. Amount recognised in standalone statement of profit and loss - Lease under Ind AS - 116

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	165	103

iii. Amount recognised in standalone statement of cash flow

	Year ended March 31, 2022	Year ended March 31, 2021
Total Cashflow for lease	425	262

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

30 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

List of Related Parties

A. Holding company
Piramal Enterprises Limited

B. Subsidiary
Piramal Finance Sales and Service Private Limited

C. Fellow subsidiary
Piramal Capital & Housing Finance Limited
Piramal Fund Management Private Limited
Piramal Pharma Limited
Piramal Consumer Products Private Limited
Piramal Investment Advisory Services Private Limited
Piramal Alternatives Private Limited

D. Other related party where common control exists
Piramal Corporate Services Private Limited
Piramal Glass Private Limited
India Resurgence ARC Trust
Piramal Structured Credit Opportunities Fund
Piramal Foundation for Educational Leadership
Piramal Swasthya Management & Research Institute

E. Key Management Personnel
Mr. Khushru Jijina (w.e.f December 23,2021)
Mr. Kunal Shah (upto August 31, 2020)
Mr. Devesh Choudhari (w.e.f. February 10, 2021)

F. Details of transactions with related parties

Details of Transactions	Holding Company		Subsidiary Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Total	
	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021
Other Income												
- Piramal Structured Credit Opportunities Fund	-	-	-	-	-	-	944	575	-	-	944	575
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**944**	**575**	**-**	**-**	**944**	**575**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

30 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures *(Continued)*

F. Details of transactions with related parties *(Continued)*

Details of Transactions	Holding Company		Subsidiary Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Total	
	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2020
Interest expenses												
- Piramal Enterprises Limited	27,137	60,773	-	-	-	-	-	-	-	-	27,137	60,773
- Piramal Capital & Housing Finance Limited	-	-	-	-	11,477	12,545	-	-	-	-	11,477	12,545
- Piramal Consumer Products Private Limited	-	-	-	-	151	-	-	-	-	-	151	-
TOTAL	**27,137**	**60,773**	**-**	**-**	**11,628**	**12,545**	**-**	**-**	**-**	**-**	**38,765**	**73,318**
Other borrowing cost (Facility fee charges and guarantee commission)												
- Piramal Enterprises Limited	187	1,078	-	-	-	-	-	-	-	-	187	1,078
TOTAL	**187**	**1,078**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**187**	**1,078**
Legal and professional fees												
- Piramal Fund Management Private Limited	-	-	-	-	1,625	275	-	-	-	-	1,625	275
- Piramal Structured Credit Opportunities Fund	-	-	-	-	-	-	18	14	-	-	18	14
- Piramal Alternatives Private Limited	-	-	-	-	38	-	-	-	-	-	38	-
TOTAL	**-**	**-**	**-**	**-**	**1,663**	**275**	**18**	**14**	**-**	**-**	**1,681**	**289**
Rent expenses												
- Piramal Capital & Housing Finance Limited	-	-	-	-	78	75	-	-	-	-	78	75
- Piramal Pharma Limited	-	-	-	-	312	155	-	-	-	-	312	155
TOTAL	**-**	**-**	**-**	**-**	**390**	**230**	**-**	**-**	**-**	**-**	**390**	**230**
Royalty expenses												
- Piramal Corporate Services Private Limited	-	-	-	-	-	-	1,162	1,495	-	-	1,162	1,495
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**1,162**	**1,495**	**-**	**-**	**1,162**	**1,495**
Corporate social responsibility expenses / Donation												
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	-	778	-	-	-	778
- Piramal Swasthya Management & Research Institute	-	-	-	-	-	-	1,230	310	-	-	1,230	310
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**1,230**	**1,088**	**-**	**-**	**1,230**	**1,088**
Reimbursement of expenses												
- Piramal Enterprises Limited	18	15	-	-	-	-	-	-	-	-	18	15
- Piramal Capital & Housing Finance Limited	-	-	-	-	25	-	-	-	-	-	25	-
TOTAL	**18**	**15**	**-**	**-**	**25**	**-**	**-**	**-**	**-**	**-**	**43**	**15**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

30 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures *(Continued)*

F. Details of transactions with related parties *(Continued)*

Details of Transactions	Holding Company		Subsidiary Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Total	
	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021
Investment / Loan book transferred from												
- Piramal Capital & Housing Finance Limited	-	-	-	-	49,953	3,76,223	-	-	-	-	49,953	3,76,223
- Piramal Investment Advisory Services Private Limited	-	-	-	-	24,764	-	-	-	-	-	24,764	-
TOTAL	**-**	**-**	**-**	**-**	**74,717**	**3,76,223**	**-**	**-**	**-**	**-**	**74,717**	**3,76,223**
Investment / Loan book transferred to												
- Piramal Capital & Housing Finance Limited	-	-	-	-	67,790	4,86,547	-	-	-	-	67,790	4,86,547
TOTAL	**-**	**-**	**-**	**-**	**67,790**	**4,86,547**	**-**	**-**	**-**	**-**	**67,790**	**4,86,547**
Investment made in subsidiary company												
- Piramal Finance Sales and Service Private Ltd	-	-	-	10	-	-	-	-	-	-	-	10
TOTAL	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10**
Investment in Debentures/ Security Receipts/ AIF												
- Piramal Structured Credit Opportunities Fund	-	-	-	-	-	-	17,585	1,362	-	-	17,585	1,362
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**17,585**	**1,362**	**-**	**-**	**17,585**	**1,362**
Sale of Investment in Debentures (excluding accrued interest) / Security Receipts/ AIF												
- Piramal Structured Credit Opportunities Fund	-	-	-	-	-	-	3,197	372	-	-	3,197	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**3,197**	**372**	**-**	**-**	**3,197**	**-**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

30 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures *(Continued)*

F. Details of transactions with related parties *(Continued)*

Details of Transactions	Holding Company		Subsidiary Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Total	
	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2020
Loan repaid												
- Piramal Enterprises Limited	1,61,000	7,66,265	-	-	-	-	-	-	-	-	1,61,000	7,66,265
- Piramal Capital & Housing Finance Limited	-	-	-	-	45,200	1,51,525	-	-	-	-	45,200	1,51,525
- Piramal Consumer Products Private Limited	-	-	-	-	2,100	-	-	-	-	-	2,100	-
TOTAL	**1,61,000**	**7,66,265**	**-**	**-**	**47,300**	**1,51,525**	**-**	**-**	**-**	**-**	**2,08,300**	**9,17,790**
Loan taken												
- Piramal Enterprises Limited	73,500	4,73,700	-	-	-	-	-	-	-	-	73,500	4,73,700
- Piramal Capital & Housing Finance Limited	-	-	-	-	-	1,27,300	-	-	-	-	-	1,27,300
- Piramal Consumer Products Private Limited	-	-	-	-	2,100	-	-	-	-	-	2,100	-
TOTAL	**73,500**	**4,73,700**	**-**	**-**	**2,100**	**1,27,300**	**-**	**-**	**-**	**-**	**75,600**	**6,01,000**
Remuneration to KMP												
- Khushru Jijina	-	-	-	-	-	-	-	-	162	-	162	-
- Kunal Shah	-	-	-	-	-	-	-	-	43	43	43	43
- Devesh Choudhari	-	-	-	-	-	-	-	-	87	7	87	7
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**292**	**50**	**292**	**50**
Payable												
Borrowings (including current maturities of long term debt)												
- Piramal Enterprises Limited	2,87,364	3,74,864	-	-	-	-	-	-	-	-	2,87,364	3,74,864
- Piramal Capital & Housing Finance Limited	-	-	-	-	70,075	1,15,275	-	-	-	-	70,075	1,15,275
TOTAL	**2,87,364**	**3,74,864**	**-**	**-**	**70,075**	**1,15,275**	**-**	**-**	**-**	**-**	**3,57,439**	**4,90,139**

External Public

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

30 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures *(Continued)*

F. Details of transactions with related parties *(Continued)*

Details of Transactions	Holding Company		Subsidiary Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Total	
	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2021	March, 31, 2022	March 31, 2020
Trade payable												
- Piramal Enterprises Limited	-	392	-	-	-	-	-	-	-	-	-	392
- Piramal Corporate Services Private Limited	-	-	-	-	578	-	-	-	-	-	578	-
TOTAL	**-**	**392**	**-**	**-**	**578**	**-**	**-**	**-**	**-**	**-**	**578**	**392**
Receivables												
Investments												
- India Resurgence ARC Trust	-	-	-	-	-	-	-	4,869	-	-	-	4,869
- Piramal Structured Credit Opportunities Fund	-	-	-	-	-	-	16,112	4,598	-	-	16,112	4,598
- Piramal Finance Sales and Service Private Ltd	-	-	10	10	-	-	-	-	-	-	10	10
Other financial assets												
- Piramal Capital & Housing Finance Limited	-	-	-	-	698	680	-	-	-	-	698	680
- Piramal Corporate Services Private Limited	-	-	-	-	-	-	-	178	-	-	-	178
- Piramal Investment Advisory Services Private Limited	-	-	-	-	483	-	-	-	-	-	483	-
TOTAL	**-**	**-**	**10**	**10**	**1,181**	**680**	**16,112**	**9,644**	**-**	**-**	**17,303**	**10,335**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

31 Employee benefits:

Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2022
The Company has scheme for gratuity as part of post retirement plan. The Company has a funded defined benefit gratuity plan in India. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.
The fund is managed by PHL Fininvest Private Limited Employees Group Gratuity Trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

A. Change in projected benefit obligation

Particulars	Gratuity Year Ended March 31, 2022	Gratuity Year Ended March 31, 2021
Present value of benefit obligation as at beginning of the year	**157.70**	83.67
Interest cost	**10.36**	5.51
Current service cost	**55.38**	19.82
Past service cost	**-**	-
Liability transferred in	**434.12**	-
(Liability transferred out)	**(107.54)**	
Benefits paid	**(18.22)**	(22.24)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	**0.10**	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**(4.87)**	0.26
Actuarial (gains)/losses on obligations - due to experience	**(25.17)**	70.68
Present value of defined benefit obligation as at the end of the year	**501.87**	157.70

B. Fair value of plan assets

Particulars	Gratuity Year Ended March 31, 2022	Gratuity Year Ended March 31, 2021
Fair Value of Plan Assets as at beginning of the year	**91.15**	-
Interest income	**5.99**	-
Contributions by the Employer	**-**	83.67
Assets transferred in	**-**	-
Return on Plan Assets, Excluding Interest Income	**0.34**	7.48
Fair value of plan assets as at the end of the year	**97.48**	91.15

C. Amount recognised in the Standalone Balance Sheet

Particulars	Gratuity As at March 31, 2022	Gratuity As at March 31, 2021
Present value of benefit obligation at the end of the year	**(501.87)**	(157.70)
Fair value of plan assets at the end of the year	**97.48**	91.15
Funded status (surplus/ (deficit))	**(404.39)**	(66.55)
Net (liability)/asset recognized in the Standalone Balance Sheet	**(404.39)**	(66.55)

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

31 Employee Benefits: *(Continued)*

D. Net interest cost for current year

Particulars	**Gratuity Year Ended March 31, 2022**	Gratuity Year Ended March 31, 2021
Present value of benefit obligation at the beginning of the year	**157.70**	83.67
(Fair value of plan assets at the beginning of the year)	**(91.15)**	-
Net liability/(asset) at the beginning	**66.55**	83.67
Interest cost	**10.36**	5.51
(Interest income)	**(5.99)**	-
Net interest cost for current year	**4.37**	5.51

E. Expenses recognised in Standalone Statement of Profit and Loss

Particulars	**Gratuity Year Ended March 31, 2022**	Gratuity Year Ended March 31, 2021
Current service cost	**55.38**	19.82
Interest cost	**4.37**	5.51
Past service cost	**-**	-
Total expenses / (income) recognised in the Standalone Statement of Profit and Loss	**59.75**	25.33

F. Expenses recognized in the Other Comprehensive Income (OCI) for current year

Particulars	**Gratuity Year Ended March 31, 2022**	Gratuity Year Ended March 31, 2021
Actuarial (gains)/losses on obligation due to change in demographic assumptions	**0.10**	-
Actuarial (gains)/losses on obligation due to change in financial assumptions	**(4.87)**	0.26
Actuarial (gains)/losses on obligation due to experience	**(25.17)**	70.68
Return on plan assets, excluding interest income	**(0.34)**	(7.48)
Change in asset ceiling	**-**	-
Net (income)/expense For the year recognized in OCI	**(30.28)**	63.46

G. Total amount recognized in Other Comprehensive Income consists of:

Particulars	**Gratuity Year Ended March 31, 2022**	Gratuity Year Ended March 31, 2021
Remeasurement (gains)/losses	**-**	-

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

31 Employee Benefits: *(Continued)*

H. Principal actuarial assumptions used:

Particulars	Gratuity Year Ended March 31, 2022	Gratuity Year Ended March 31, 2021
Expected return on plan assets	**6.84%**	6.57%
Rate of discounting	**6.84%**	6.57%
Rate of salary increase	**9.00%**	9.00%
Rate of employee turnover	**10.00%**	10.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2012-14) urban**	Indian Assured Lives Mortality (2006-08)

I. Balance sheet reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net liability	**66.55**	83.67
Expenses recognized in Standalone Statement of Profit or Loss	**59.75**	25.33
Expenses recognized in OCI	**(30.28)**	63.46
Net liability transfer in	**434.12**	-
Net (liability)/asset transfer out	**(107.54)**	-
Benefit paid directly by the company	**(18.22)**	(22.24)
Benefit paid - contribution to the fund	**-**	(83.67)
Net liability/(asset) recognized in the Standalone Balance Sheet	**404.38**	66.55

J. Category of Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Government of India assets	-	-
State Government securities	-	-
Special deposits scheme	-	-
Debt instruments	-	-
Corporate bonds	-	-
Cash and cash equivalents	-	-
Insurance fund	**97.48**	91.15
Asset-backed securities	-	-
Structured debt	-	-
Other	-	-
Total	**97.48**	91.15

K. Other details

Particulars	As at March 31, 2022	As at March 31, 2021
No of active members	**37**	119
Per month salary for active members	**76.84**	112.89
Average expected future service (years)	**7**	8
Projected benefit obligation (PBO)	**501.87**	157.70
Prescribed contribution for next year (12 months)	**76.84**	112.89

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

31 Employee Benefits: *(Continued)*

L. Net interest cost for next year

Particulars	Estimated for the year ended March 31, 2022	Estimated for the year ended March 31, 2021
Present value of benefit obligation at the end of the year	**501.87**	157.70
(Fair value of plan assets at the end of the year)	**(97.48)**	(91.15)
Net liability/(asset) at the end of the year	**404.39**	66.55
Interest cost	**34.33**	10.36
(Interest income)	**(6.67)**	(5.99)
Net interest cost for next year	**27.66**	4.37

M. Expenses recognized in the Standalone Statement of Profit or Loss for next year

Particulars	Estimated for the year ended March 31, 2022	Estimated for the year ended March 31, 2021
Current service cost	**40.89**	55.38
Net interest cost	**27.66**	4.37
(Expected contributions by the employees)	**-**	-
Expenses recognized	**68.55**	59.75

N. Maturity analysis of the benefit payments: from the fund

Projected benefits payable in future years from the date of reporting	As at March 31, 2022	As at March 31, 2021
1st Following Year	**55.62**	11.85
2nd Following Year	**278.63**	10.61
3rd Following Year	**18.87**	11.88
4th Following Year	**18.55**	12.09
5th Following Year	**18.42**	13.03
Sum of Years 6 to 10	**86.69**	63.96
Sum of Years 11 and above	**210.94**	180.33

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

31 Employee Benefits: *(Continued)*

O. Sensitivity analysis

Projected benefits payable in future years from the date of reporting	**As at March 31, 2022**	As at March 31, 2021
Projected benefit obligation on current assumptions	**501.87**	157.70
Delta effect of +1% change in rate of discounting	**(16.88)**	(12.14)
Delta effect of -1% change in rate of discounting	**18.75**	13.96
Delta effect of +1% change in rate of salary increase	**18.18**	13.49
Delta effect of -1% change in rate of salary increase	**(16.71)**	(11.99)
Delta effect of +1% change in rate of employee turnover	**(2.34)**	(3.24)
Delta effect of -1% change in rate of employee turnover	**2.55**	3.52

Notes:
Gratuity is payable as per company' scheme as detailed in the report.
Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.
Salary escalation and attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand and supply of the employees.
Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

These plans typically expose the Company 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, 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.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

32 Fair value disclosures

a)

Categories of financial instruments:	March 31, 2022 FVTPL	March 31, 2022 Amortised cost*	March 31, 2021 FVTPL	March 31, 2021 Amortised cost*
Financial assets				
Investments	1,45,581	1,02,663	1,04,222	1,99,913
Loans	41,601	8,07,250	68,067	9,01,954
Cash and bank balances #	-	43,228	-	41,236
Other financial assets #	-	1,307	-	10,535
	1,87,182	**9,54,447**	**1,72,289**	**11,53,638**
Financial liabilities				
Debt securities	-	1,41,755	-	2,83,743
Borrowings (other than debt securities)	-	40,599	-	-
Deposits	-	3,57,439	-	4,90,139
Trade payables #	-	792	-	521
Other financial liabilities #	-	1,625	-	2,339
	-	**5,42,209**	**-**	**7,76,742**

b) **Fair value hierarchy and method of valuation**

Financial instruments	Notes	March 31, 2022 Carrying value	Level 1	Level 2	Level 3	Total
Financial assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	-	-	-	-	-
Investments in security receipts/ AIF/ Mutual Funds	ii.	1,45,581	-	-	1,45,581	1,45,581
Loans	i.	41,601	-	-	41,601	41,601
Measured at amortised cost*						
Investments						
Redeemable Non-Convertible Debentures	iii.	1,02,663	-	-	1,30,320	1,30,320
Loans	iii.	8,07,250	-	-	8,15,823	8,15,823
Financial liabilities						
Measured at amortised cost						
Debt securities	iii.	1,41,755	-	-	1,41,595	1,41,595
Borrowings (other than debt securities)	iii.	40,599	-	-	40,598	40,598
Deposits	iii.	3,57,439	-	-	3,66,717	3,66,717

Financial instruments	Notes	March 31, 2021 Carrying value	Level 1	Level 2	Level 3	Total
Financial assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	-	-	-	-	-
Investments in security receipts/ AIF/ Mutual funds	ii.	1,04,222	-	-	1,04,222	1,04,222
Loans	i.	68,067	-	-	68,067	68,067
Measured at amortised cost						
Investments						
Redeemable Non-Convertible Debentures	iii.	1,99,913	-	-	2,03,893	2,03,893
Loans	iii.	9,01,954	-	-	9,10,328	9,10,328
Financial liabilities						
Measured at amortised cost						
Debt securities	iii.	2,83,743	-	-	2,86,043	2,86,043
Borrowings (other than debt securities)	iii.	-	-	-	-	-
Deposits	iii.	4,90,139	-	-	5,11,826	5,11,826

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Notes to the standalone financial statements (Continued)
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32 Fair Value Disclosures *(Continued)*

Notes:

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 third party vendor for these data.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments, security receipts and AIF.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The carrying value and fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs. 73,888 lakhs (31 March 2021 – Rs. 70,044 lakhs)

\# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

c) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items for the year ended 31 March 2022 and March 31, 2021.

Particulars	Investments in security receipts and AIF	Debentures	Loans	Total
As at April 1, 2020	**49,662**	**-**	**29,564**	**79,226**
Acquisitions	47,748	-	1,800	49,548
Transfer from / (to) Piramal Capital & Housing Finance Limited	-	-	36,851	36,851
Realisations	(1,579)	-	(7,214)	(8,793)
Income recognised in standalone statement of profit and loss	8,391	-	7,066	15,457
As at March 31, 2021	**1,04,222**	**-**	**68,067**	**1,72,289**
Acquisitions	71,386	-	4,496	75,882
Transfer from / (to) Piramal Capital & Housing Finance Limited	-	-	36,851	36,851
Realisations	(50,393)	-	(74,692)	(1,25,085)
Income recognised in standalone statement of profit and loss	20,366	-	6,881	27,247
As at March 31, 2022	**1,45,581**	**-**	**41,601**	**1,87,182**

d) Sensitivity for FVTPL Instruments

Impact on the Company's profit before tax if discount rates had been 70 basis points (previous year 70 basis points) higher / lower and if equity had been 500 basis points (previous year 500 basis points) higher / lower is given below:

Method	Nature of Instrument	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact	
				Yield increase	Yield Decrease
Discounted Cash Flow Model as at March 31, 2022	Term Loan	Discount rate	0.7%	(93)	124
	Term Loan	Equity	5%	-	-
Discounted Cash Flow Model as at March 31, 2021	Term Loan	Discount rate	0.7%	(388)	442
	Term Loan	Equity	5%	-	-

External Public

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(Currency : Rs in lakhs)

33 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 12 offset by cash and bank balances) and total equity of the Company.

The Company being a Non-Deposit taking NBFC has to maintain a Capital Adequacy Ratio of 15%. The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / nonconvertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.
The Company has complied with all the regulatory requirements related to capital adequacy ratios as prescribed by RBI - refer note 39 (ii) on Capital to risk- assets ratio ('CRAR')

The capital components of the Company are as given below:	**March 31, 2022**	**March 31, 2021**
Total equity	**5,63,111**	**5,20,561**
Debt securities	1,41,755	2,83,743
Borrowings (other than debt securities)	40,599	-
Deposits	3,57,439	4,90,139
Total debt	**5,39,793**	**7,73,882**
Cash and cash equivalents	(43,228)	(41,236)
Net debt	**4,96,565**	**7,32,646**

34 Risk management

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Company's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Company 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 Company.

The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with RBI and other regulators.

The Company'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 Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company 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

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Notes to the standalone financial statements (Continued)
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(Currency : Rs in lakhs)

34 Risk management *(Continued)*

34.1 Liquidity risk

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 Company has formulated an Asset Liability Management Policy in line with RBI guidelines for Non-Banking Financial Company. The Asset Liability Management Committee (ALCO) is responsible for the management of the companies funding and liquidity requirements. The company manages 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 following tables detail the Company'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 Company 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 March 31, 2022 and March 31, 2021 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of financial liabilities	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Debt securities	1,49,628	-	-	-
Borrowings (other than debt securities)	9,451	29,734	8,735	-
Deposits	37,816	3,77,794	-	-
Trade payables	792	-	-	-
Other financial liabilities	1,625	-	-	-
	1,99,312	**4,07,528**	**8,735**	**-**

Maturities of financial liabilities	March 31, 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Debt securities	88,388	2,35,128	-	-
Borrowings (other than debt securities)	-	-	-	-
Deposits	1,37,063	4,44,162	-	-
Trade payables	521	-	-	-
Other financial liabilities	2,339	-	-	-
	2,28,311	**6,79,289**	**-**	**-**

The following table details the Company'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 Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of financial assets	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	21,232	82,690	50,990	16,044
Loans	2,66,906	4,61,106	3,44,012	2,55,757
Other financial assets	1,307	-	-	-
	2,89,445	**5,43,796**	**3,95,002**	**2,71,801**

Maturities of financial assets	March 31, 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	65,513	1,73,544	1,47,038	38,458
Loans	2,44,863	5,13,293	2,35,185	3,73,656
Other financial assets	10,535	-	-	-
	3,20,911	**6,86,837**	**3,82,223**	**4,12,114**

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
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34 Risk management *(Continued)*

34.2 Interest rate risk and sensitivity analysis

The Company is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The 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 analyses 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 exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs.40,598 (March 31, 2021- NIL) and fixed rate borrowings are Rs. 499,194 lakhs (March 31, 2021- Rs. 773,882 lakhs)

Impact on the Company's profit before tax if interest rates had been 100 basis points higher / lower is given below:

Sensitivity analysis on floating rate instruments	As At March 31, 2022		As At March 31, 2021	
	Higher	Lower	Higher	Lower
Sensitivity analysis on floating rate debts securities, borrowings other than debt securities and deposits	(406)	406	-	-
Sensitivity analysis on floating rate assets	4,514	(4,514)	6,187	(6,187)

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Notes to the standalone financial statements (Continued)
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34 Risk management *(Continued)*

34.3 Credit risk

The Company 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 Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

The lending exposure includes lending to the below sectors:

Sectors	**Exposure as at**	
	March 31, 2022	March 31, 2021
Real estate	79.65%	65.25%
Infrastructure loans	2.21%	4.08%
Others	18.14%	30.67%

Credit risk management

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

Risk Grading	**Description**
I	Extremely good loan
II	Good loan
III	Moderate loan
IV	Weak loan
V	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.

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Notes to the standalone financial statements (Continued)
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34 Risk management *(Continued)*
34.3 Credit risk *(Continued)*

Provision for expected credit loss

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Company 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.ii 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 Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

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

Category - Description	Stage	Basis for recognition of Expected credit loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default

For the year ended March 31, 2022 and March 31, 2021 the Company 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 Company has computed the PD. The Company 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 Company has made use of a combination of both internal as well as external LGD. The Company 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 reporting period:

As at March 31, 2022

Particulars	Asset group	Exposure at default	Expected credit loss	Net amount
Assets for which credit risk has not significantly increased from initial recognition*	Investments	1,27,273	4,898	1,23,195
	Loans	6,82,228	18,454	6,63,774
Assets for which credit risk has increased significantly but not credit impaired	Investments	-	-	-
	Loans	96,851	15,414	81,437
Assets for which credit risk has increased significantly and credit impaired	Investments	-	-	-
	Loans	64,175	35,122	29,053
Total		**9,70,527**	**73,888**	**8,97,459**

As at March 31, 2021

Particulars	Asset group	Exposure at default	Expected credit loss	Net amount
Assets for which credit risk has not significantly increased from initial recognition*	Investments	2,00,518	7,020	1,93,498
	Loans	8,41,987	26,753	8,15,234
Assets for which credit risk has increased significantly but not credit impaired	Investments	-	-	-
	Loans	73,601	9,907	63,694
Assets for which credit risk has increased significantly and credit impaired	Investments	-	-	-
	Loans	50,510	26,364	24,146
Total		**11,66,616**	**70,044**	**10,96,572**

* This include outstanding amount of FVTPL instruments of Rs 35,690 lakhs as at March 31, 2022 and Rs 61,296 lakhs as at March 31, 2021 (excluding investments in Security receipts, Alternate investments funds 'AIF' and mutual funds)

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Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

34 Risk management *(Continued)*

34.3 Credit risk *(Continued)*

Reconciliation of loss allowance

a)

For the period ended March 31, 2022

Investments and loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	33,773	9,907	26,364
Transferred to 12-month ECL	8,734	(8,734)	-
Transferred to Lifetime ECL not credit impaired	(2,331)	2,331	-
Transferred to Lifetime ECL credit impaired	(679)	-	679
Transferred from Lifetime ECL credit impaired	-	-	-
On account of rate increase / (reduction)	(8,747)	12,345	8,667
Charge to Standalone Statement of Profit and Loss (refer note 20)	-	-	-
On account of disbursements	5,718	232	98
On account of repayments	(13,115)	(667)	(686)
Balance at the end of the year	**23,353**	**15,414**	**35,122**

For the year ended March 31, 2021

Investments and loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	54,083	6,153	946
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(2,491)	2,491	-
	(1,852)	-	1,852
Transferred from Lifetime ECL credit impaired	6,207	-	(6,207)
On account of rate increase / (reduction)	(8,133)	1,319	29,837
Charge to Standalone Statement of Profit and Loss (refer note 20)			
On account of disbursements	31,946	-	-
On account of repayments	(45,987)	(56)	(64)
Balance at the end of the year	**33,773**	**9,907**	**26,364**

b) **Expected credit loss on undrawn loan commitments and letter of comfort:**

Particulars	March 31, 2022	March 31, 2021
ECL on undrawn loan commitments and letter of comfort (refer note 15)	1,259	1,960

c) **Description of collateral held as security and other credit enhancements**

The Company has set benchmarks on appropriate level of security cover for various types of deals. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on shares of the borrower or their related parties
v) Guarantees of promoters / promoter undertakings
vi) Post dated / undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

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Notes to the standalone financial statements (Continued)
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34 Risk management *(Continued)*
34.3 Credit Risk *(Continued)*

d) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

Particulars	March 31, 2022	March 31, 2021
Value of Security (at Fair Value considered for LGD)	29,053	24,146

e) Impact of Covid -19 pandemic on the credit risk

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard even if overdue as on February 29, 2020, excluding the collections made already made in the month of March 2020. Further, in line with the additional Regulatory Package guidelines dated May 23, 2020 the Company granted a second three month moratorium on the payment of principal instalments and/ or interest, as applicable, falling due between June 1, 2020 and August 31, 2020.
For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).

The Supreme Court through an interim order dated September 03, 2020 directed that accounts which were not declared non-performing till August 31, 2020 shall not be declared non-performing after August 31, 2020. Pursuant to the Supreme Court's final order and the related RBI notification issued on April 7, 2021, the Company has classified the borrower accounts as Credit impaired (Stage -3) as at March 31, 2022.

The Company has portfolios that may face some head winds due to the emerging economic conditions. The exposures to sectors like hotels, auto-ancillaries may face much larger challenges. However, the exposure to these sectors are fairly limited compared to the overall lending exposures.

Other sectors like residential and commercial real estate, renewables, logistics etc. where the Company has exposure may have direct or indirect impact. Company ran a scenario analysis using proprietary algorithm based risk models on the portfolio. The scenario took into account the current COVID-19 related impact and was built by risk with inputs from the Chief Economist of the Company.

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the Board for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these standalone financial results. Accordingly, the provision for expected credit loss on financial assets as at March 31, 2022 aggregates Rs. 73,888 lakhs (as at March 31, 2021, Rs. 72,004 lakhs) which includes potential impact on account of the pandemic. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Company's performance will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition and other related matters, the impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone annual financial results and the Company will continue to closely monitor any material changes to future economic conditions.

34.4 Regulatory risk:

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

34.5 Fraud risk and operational risk:

The Company has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Risks associated with frauds are mitigated through 100% document verification by concurrent auditors and review of all the cases which are entered in the system, including corrective and remedial actions as regards people and processes.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Company and report directly to Audit and Risk Management Committee of the company.

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Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

35 Corporate social responsibility expenditure

Particulars	March 31, 2022	March 31, 2021
Contribution to Piramal Swasthya Management and Research Institute	1,230	310
Contribution to Piramal Foundation for Education Leadership	-	410
Total	**1,230**	**720**
Amount required to be spent as per Section 135 of the Act	1,085	585
Amount spent during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	**1,230**	720
shortfall at the yend of the year	-	-
reason for shortfall	**NA**	NA
nature of CSR activities	**Health Sector**	Health Sector
details of related party transactions	-	-

36 The board of directors of the Company, at their meeting held on October 7, 2021, has inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between the Company ('PHL'), Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), Piramal Enterprises Limited ('PEL') 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 PEL 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 the Company PHL, a wholly owned subsidiary of PEL, into PEL.

The Company has filled the Scheme with the necessary authorities and accordingly the implementation of the Scheme is subject to the necessary approvals, sanctions and consents being obtained.

36 (a) Additional Regulatory Information

i) There have been no events after the reporting date that require disclosure in these financial statements.

ii) There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

iii) No proceeding has been initiated during the year or pending against the Company for holding any Benami property.

iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

v) During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.

vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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.

vii) The Company, 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.

viii) The Company, 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 Company 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,

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36 (b) The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.:

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

(b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 | Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

36 (c) Analytical Ratios

Particulars	31 March 2022	31 March 2021
Debt-Equity ratio	0.96	1.49
Debt Service Coverage Ratio	0.26	0.23
Return on Equity Ratio,	0.10	0.13
Net profit ratio	0.27	0.24

LCR disclosed in note no - 37.1 and CRAR disclsoed in note no - 38

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
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(Currency : Rs in lakhs)

37 Disclosure on Prudential Floor for ECL
In terms of RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard Assets	Stage 1	8,15,764	23,352	7,92,412	2,998	20,354
	Stage 2	96,146	15,414	80,732	360	15,054
Sub-total		9,11,910	38,766	8,73,144	3,358	35,408
Non-performing assets (NPA)						
Substandard	Stage 3	18,323	2,969	15,354	1,832	1,137
Doubtful - up to 1 year	Stage 3	39,550	28,034	11,516	7,910	20,124
1 to 3 years	Stage 3	6,305	4,119	2,186	1,892	2,228
More than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		45,855	32,153	13,702	9,802	22,352
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		64,178	35,122	29,056	11,634	23,489
Other items such as guarantees, loan commitments,	Stage 1	1,11,518	1,259	1,10,259	-	1,259
etc. which are in the scope of Ind AS 109 but not	Stage 2	-	-	-	-	-
covered under current Income Recognition, Asset	Stage 3	-	-	-	-	-
Classification and Provisioning (IRACP) norms						
Subtotal		1,11,518	1,259	1,10,259	-	1,259
Total	**Stage 1**	**9,27,282**	**24,611**	**9,02,671**	**2,998**	**21,613**
	Stage 2	**96,146**	**15,414**	**80,732**	**360**	**15,054**
	Stage 3	**64,178**	**35,122**	**29,056**	**11,634**	**23,489**
	Total	**10,87,606**	**75,147**	**10,12,458**	**14,992**	**60,156**

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37.1 Additional disclosure on liquidity risk
In terms of RBI circular DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019

1 **Funding Concentration based on significant counterparty (both deposits and borrowings)**

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	4	5,38,320	NA	98.8%

2 **Top 20 large deposits (amount in ₹ lakhs and % of total deposits)**
Not Applicable

3 **Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)**

Amount	% of Total Borrowings
5,39,792	100%

4 **Funding Concentration based on significant instrument/product**

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Inter-corporate deposits	3,57,439	65.6%
2	Non-convertible debentures	1,41,755	26.0%
3	Term loan	39,127	7.2%

5 **Stock Ratios:**

Sr. No.		Particulars	March 31, 2021
(a)	(i)	Commercial papers as a % of total public funds	NA
	(ii)	Commercial papers as a % of total liabilities	0.27%
	(iii)	Commercial papers as a % of total assets	0.13%
(b)	(i)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA
	(ii)	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NIL
	(iii)	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NIL
(c)	(i)	Other short-term liabilities, if any as a % of total public funds	NA
	(ii)	Other short-term liabilities, if any as a % of total liabilities	0.27%
	(iii)	Other short-term liabilities, if any as a % of total assets	0.45%

6 **Institutional set-up for liquidity risk management**

a) The ALCO is responsible for the management of the companies funding and liquidity requirements, within the board approved framework and extant regulations.

b) The Company manages liquidity risk by maintaining an appropriate mix of unutilised banking facilities, credit lines as necessary and by continuously monitoring expected and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

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37.2 Additional disclosure on Liquidity Coverage Ratio
In terms of RBI circular DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019

Sr. No.	Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021		Quarter ended September 30, 2021		Quarter ended June 30, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)*	36,529	36,529	59,690	59,690	35,804	35,804	36,608	36,608
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	17,287	17,287	13,723	13,723	9,131	9,131	8,931	8,931
4	Secured wholesale funding	5,129	5,129	2,072	2,072	17,498	17,498	2,440	2,440
5	Additional requirements, of which								
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash Outflows**	**22,416**	**22,416**	**15,795**	**15,795**	**26,629**	**26,629**	**11,371**	**11,371**
	Cash Inflows	-	-	-	-	-	-	-	-
9	Secured lending	18,493	18,493	127	127	227	227	151	151
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	501	501	6	6	14	14	25	25
12	**Total Cash Inflows**	**18,994**	**18,994**	**133**	**133**	**241**	**241**	**176**	**176**

Sr. No.	Particulars	Quarter ended March 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2021	Quarter ended June 30, 2021
		Total Adjusted Value	**Total Adjusted Value**	**Total Adjusted Value**	**Total Adjusted Value**
13	**TOTAL HQLA**	**36,529**	**59,690**	**35,804**	**36,608**
14	**TOTAL NET CASH OUTFLOWS**	**3,422**	**15,662**	**26,388**	**11,195**
15	**LIQUIDITY COVERAGE RATIO (%)**	**1067%**	**381%**	**136%**	**327%**

*** Components of High Quality Liquid Assets (HQLA)**

Particulars	Quarter ended March 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2021	Quarter ended June 30, 2021
Bank balance	36,529	59,690	35,804	36,608
Total	**36,529**	**59,690**	**35,804**	**36,608**

Qualitative disclosures

The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can used to meet its liquidity needs for the next month under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

HQLAs as per the guidelines has to be comprised of Cash, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI. Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

The Liquidity Risk Management framework of the Company is governed by its Asset Liability Management Policy approved by the Board. The Asset Liability Management Committee (ALCO) oversee the implementation of liquidity risk management framework of the Company and ensure adherence to the risk tolerance / limits set by the Board.

As prescribed by the RBI Guidelines, Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent month
Total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)].
Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities by 115% (15% being the rate at which they are expected to run off further or be drawn down)
Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)

The company has maintained healthy Liquidity Coverage Ratio (LCR) for the time period under consideration. The LCR as on 31st March 2022 was 1067% which is above the required value of 50% Similarly, the LCR has been above the required threshold for all preceding quarters as well. The main reason for the same is that the company has long term liabilities with only a small portion of which is falling due in the short term. The company also maintains a steady inflow from the assets resulting in lower HQLA requirement. The HQLA requirement are met by maintaining adequate cash and bank balance. The company is confident of maintaining adequate HQLA in the future as well by closely monitoring the maturity profile of both assets and liabilities and having a healthy ALM at all times

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Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Non-Banking Financial Company disclosures

(i) **Disclosures as required in terms of Annex IV of Master Direction – "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".**

	Particulars Liabilities side :	Amount outstanding as at March 31, 2022	Amount overdue as at March 31, 2022	Amount outstanding as at March 31, 2021	Amount overdue as at March 31, 2021
1	**Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured (refer note 4 below)	**1,41,755**	**-**	2,83,743	-
	: Unsecured	**-**	**-**	-	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred credits	**-**	**-**	-	-
	(c) Term loans	**39,127**	**-**	-	-
	(d) Inter-corporate loans and borrowing (refer note 4 below)	**3,57,439**	**-**	4,90,139	-
	(e) Commercial paper	**1,472**	**-**	-	-
	(f) Public deposits*	**-**	**-**	-	-
	(g) Other loans	**-**	**-**	-	-
	* Please see note 1 below				
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a) In the form of unsecured debentures	**-**	**-**	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	**-**	**-**	-	-
	(c) Other public deposits	**-**	**-**	-	-
	* Please see note 1 below				

	Assets side :	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021
3	**Break-up of loans and advances including bills receivables [other than those included in (4) below:]**		
	(Amount gross of provision)		
	(a) Secured (refer note 5 below)	**8,02,733**	9,70,021
	(b) Unsecured	**46,118**	-
4	**Break up of leased assets and stock on hire and other assets counting towards asset financing activities**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	**-**	-
	(b) Operating lease	**-**	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	**-**	-
	(b) Repossessed assets	**-**	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	**-**	-
	(b) Loans other than (a) above	**-**	-

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

	Assets Side :	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021
5	**Break-up of investments :**		
	Current investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds (refer note 5 below)	-	-
	(iii) Units of mutual funds (refer note 5 below)	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and bonds (refer note 5 below)	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	Long term investments :		
	1. Quoted :	-	-
	(i) Shares : (a) Equity	**666**	-
	(b) Preference		
	(ii) Debentures and bonds (refer note 5 below)	**24,775**	-
	(iii) Units of mutual funds	-	-
	(iv) Government securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	**10**	10
	(b) Preference	-	-
	(ii) Debentures and bonds (refer note 5 below)	**1,02,663**	1,99,913
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	**1,20,140**	1,04,222

6 **Borrower group-wise classification of assets financed as in (3) and (4) above :**
Please see Note 2 below

Category (Amount net of provision)	As at 31 March 2022			As at 31 March 2021		
	Secured	**Unsecured**	**Total**	Secured	Unsecured	Total
1. Related Parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties (refer note 5 below)	**7,35,542**	**44,319**	**7,79,861**	9,06,997	-	9,06,997
Total	**7,35,542**	**44,319**	**7,79,861**	9,06,997	-	9,06,997

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)**
Please see note 3 below

Category	As at 31 March 2022		As at 31 March 2021	
	Market Value / Break up or fair value or NAV	**Book Value (Net of Provision)**	Market Value / Break up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties **				
(a) Subsidiaries	**10**	**10**	10	10
(b) Companies in the same group (refer note 2 and 5 below)	**16,112**	**39,698**	9,467	9,467
(c) Other related parties	**-**	**-**	-	-
2. Other than related parties (refer note 2 and 5 below)	**2,31,466**	**2,03,648**	2,94,668	2,87,658
Total	**2,47,588**	**2,43,356**	3,04,145	2,97,125

** As per Accounting Standard of ICAI (refer note 3 below)

8 **Other information**

	Particulars	**Amount as at March 31, 2022**	Amount as at March 31, 2021
(i)	Gross non-performing assets	-	-
	(a) Related parties	-	-
	(b) Other than related parties	64,367	50,419
(ii)	Net non-performing assets	-	-
	(a) Related parties	-	-
	(b) Other than related parties	29,245	24,055
(iii)	Assets acquired in satisfaction of debt	-	-

Notes:

1 As defined in point xix of paragraph 3 of Chapter -2 of these Directions.

2 Provision is calculated as per the Expected Credit loss ('ECL') model as given in Note 2(ii) of the standalone financial statement.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, Market value/break up or fair value or NAV is taken as same as book value in case of unquoted investments and quoted investments in absence of market value / break up or fair value or NAV.

4 Amount disclosed represents the amortised cost of the instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.

5 Amount disclosed represents the amortised cost of loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.

(ii) **Disclosures as required in terms of Annex XIV of Master Direction – "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".**

Minimum disclosures
The following additional disclosures have been given in terms of Annex XIV of Master Direction – "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016".

Summary of Significant accounting policies
The accounting policies regarding key areas of operations are disclosed as note 2 to the standalone financial statements.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

Capital to risk- assets ratio ('CRAR')

	Items	March 31, 2022	March 31, 2021
(i)	CRAR (%)	**50.42%**	39.14%
(ii)	CRAR – Tier I capital (%)	**49.17%**	38.79%
(iii)	CRAR – Tier II capital (%)	**1.25%**	0.35%
(iv)	Amount of subordinated debt raised as Tier-II capital	**-**	-
(v)	Amount raised by issue of perpetual debt instruments	**-**	-

For the purpose of calculating CRAR, below points have been considered:

1 Provision is calculated as per the Expected Credit loss ('ECL') model as given in Note 2(ii) of the standalone financial statement. Stage 3 assets are considered as NPA and Stage 1 and 2 assets are considered as Standard assets.

2 The amortised cost of loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.

3 Amount for contingent liabilities and Undrawn committed credit lines under Non-funded exposure have been considered as per note 26 (a) and 26 (b) of the standalone financial statement.

Investments

Sr. No.	Items	March 31, 2022	March 31, 2021
1	Value of investments (Refer note below)		
	(i) Gross value of investments		
	(a) In India	**2,48,254**	3,04,135
	(ii) Provisions for depreciation		
	(a) In India	**4,898**	7,020
	(iii) Net Value of investments		
	(a) In India	**2,43,356**	2,97,115
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	**7,020**	15,879
	(ii) Add: Provisions made during the year	**-**	-
	(iii) Less: write off / write back of excess provisions during the year	**2,122**	8,859
	(iv) Closing balance	**4,898**	7,020

Note -Amount disclosed represents the amortised cost of loans & advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statements.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

Maturity pattern of certain items of assets and liabilities

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities (refer note 1 and 3 below)									
Deposits (current year)	**-**	**-**	**-**	**-**	**-**	**3,57,439**	**-**	**-**	**3,57,439**
Deposits (previous year)	-	-	-	50,000	50,000	3,90,139	-	-	4,90,139
Borrowings (current year)	**-**	**-**	**44,500**	**1,472**	**1,05,000**	**23,049**	**8,333**	**-**	**1,82,354**
Borrowings (previous year)	1,178	2,036	1,125	4,339	53,713	2,21,352	-	-	2,83,742
Foreign currency liabilities (current year)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign currency liabilities (previous year)	-	-	-	-	-	-	-	-	-
Assets (refer note 2 below)									
Advances (current year)	21,509	4,361	3,621	23,576	90,317	3,06,011	2,33,021	1,77,836	**8,60,252**
Advances (previous year)	1,161	1,036	23,212	54,507	83,643	3,70,233	1,75,409	2,60,819	9,70,020
Investments (current year)	**700**	**-**	**1,107**	**6,900**	**11,850**	**58,050**	**59,240**	**16,720**	**1,54,567**
Investments (previous year)	31,935	-	2,160	255	9,819	1,08,447	1,09,101	42,427	3,04,145
Foreign Currency assets (current year)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign Currency assets (previous year)	-	-	-	-	-	-	-	-	-

Note: Amount shown in the tables are gross figures without netting off the provision

Notes:

1 Amount disclosed represents the amortised cost of the instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.

2 Amount disclosed represents the amortised cost of loans and advances and Investments and fair value in case of FVTPL instruments as per Ind AS as given in Note 2 (ii) of the standalone financial statement.

Exposures to real estate sector

	Category	March 31, 2022	March 31, 2021
(a)	**Direct exposure**		
(i)	Residential mortgages- Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	**1,30,060**	1,77,470
(ii)	Commercial real estate- Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**5,03,293**	8,56,847
(iii)	Investments in mortgage backed securities (MBS) and other securitised exposures-		
	a. Residential	**-**	-
	b. Commercial real estate	**-**	-

External Public

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

Exposure to capital market

	Particulars	**March 31, 2022**	March 31, 2021
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	22,120
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	15,000
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	-	37,120

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

Provisions and contingencies

Break up of 'Provisions and contingencies shown in profit and loss account (Refer note below)	**March 31, 2022**	March 31, 2021
Provisions for depreciation on investment	**(2,122)**	(8,859)
Provision towards NPA	**2,881**	26,364
Provision made towards Income tax	**14,823**	17,407
Provision for standard assets	**2,384**	(8,674)

Note: Provision is calculated as per the Expected Credit loss ('ECL') model as given in Note 2(ii) of the standalone financial statement.
Stage 3 assets are considered as NPA and Stage 1 and 2 assets are considered as Standard assets.

Concentration of advances

Particulars	**March 31, 2022**	March 31, 2021
Total advances to 20 largest borrowers*	**5,98,330**	6,63,967
Percentage of advances to 20 largest borrowers to total advances	**71.28%**	59.77%

*includes loan and investments at amortised cost

Concentration of exposures

Particulars	**March 31, 2022**	March 31, 2021
Total Exposure to 20 largest borrowers*	**6,02,453**	6,92,812
Percentage of exposures to 20 largest borrowers to total exposure	**68.60%**	57.81%

*includes loan, investments, capital commitment and letter of comfort

Concentrations of NPA

Particulars	**March 31, 2022**	March 31, 2021
Total Exposure top 4 NPA accounts	**54,966**	49,789

Sector wise NPAs

Sr. No.	**Sector**	**Percentage of NPAs to total advances in that sector**	
		March 31, 2022	March 31, 2021
1	Agriculture & allied activities	**0%**	0%
2	MSME	**0%**	0%
3	Corporate borrowers	**20%**	1%
4	Services	**0%**	0%
5	Unsecured personal loans	**0%**	0%
6	Auto loans*	**80%**	49%
7	Other personal loans	**0%**	0%

* Auto ancilliary products

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

Movement of NPAs

	Particulars	March 31, 2022	March 31, 2021
(i)	Net NPA to net advances (%)	**3.12%**	2.15%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	**50,419**	6,305
	(b) Additions during the year	**16,300**	44,114
	Subtotal (1)	**66,719**	50,419
	(c) Reductions during the year due to recoveries	**2,541**	-
	Subtotal (2)	**2,541**	-
	(d) Closing balance (1-2)	**69,260**	50,419
(iii)	Movement of NPAs (Net)		
	(a) Opening balance	**24,055**	5,359
	(b) Additions during the year	**13,645**	18,696
	(c) Reductions during the year	**9,583**	-
	(d) Closing balance	**28,117**	24,055
(iv)	Movement of provisions for NPAs (excluding provision on standard asset)		
	(i) Opening balance	**26,364**	946
	(ii) Additions during the year	**10,340**	25,418
	Subtotal (1)	**36,704**	26,364
	(iii) Reductions during the year		
	Write back of excess provision on account of reduction in NPAs	**642**	-
	Subtotal (2)	**642**	-
	(iv) Closing balance (1-2)	**37,346**	26,364

(iv) **Draw down from reserves**
There is no drawdown of reserves during the year ended March 31, 2022.

(v) **Registration/ license/ authorisation obtained from other financial sectors regulators-**
The Company has not obtained any registration/license/authorization from any financial sector regulator during the year ended March 31, 2022.

(vi) **Rating assigned by credit rating agencies and migration of rating during the year**
Credit ratings assigned to the borrowings of the Company are as under

Nature of Borrowings	Rating Agency	Ratings Assigned
NCD	CARE	CARE AA- / CARE AA
Commercial Paper	CARE	CARE A1+
Long Term / Short Term Bank facility	CARE	CARE AA- / CARE A1+

The Company has obtained rating for the first time during the year ended March 31, 2021, thus there is no migration of ratings during the year ended March 31, 2022.

(vii) **Structured product issued**
The Company has not issued any structured product during the year ended March 31, 2022.

(viii) **Penalties/fines imposed by RBI and other banking regulatory bodies**
No penalty was imposed by RBI or any other banking regulatory bodies during the year ended March 31, 2022.

(ix) **Area, country of operation & joint venture partners with regard to joint ventures and overseas subsidiaries-**
The Company does not have any joint ventures and overseas subsidiaries.

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

(x) **Extent of financing of parent company product**
The Company has not financed any parent company product.

(xi) **Details of off-balance sheet SPV's sponsored**
The Company does not have any off- balance sheet SPV's sponsored.

(xii) **Disclosure of complaints**
There are no customer complaints received during the year.

(xiii) **Securitisation/ assignment transactions**
The Company had not entered into any securitisation / assignment transaction during the year ended March 31, 2022

(xiv) **Details of financial assets sold to Securitisation/Reconstruction Company for asset reconstruction**
The Company had not sold any financial assets to Securitisation / Reconstruction Company for asset reconstruction.

(xv) **Details of non-performing financial assets purchased / sold**
The Company has not purchased/ sold any non-performing financial assets during the year ended March 31, 2022.

(xvi) **Details of single borrower limit (SBL) / group borrower limit (GBL) exceeded by the NBFC**
During the year there was no breach found for SGL &GBL

(xvii) **Unsecured advances**
Details of unsecured advances disclosed in note 4 - loans

(xviii) **Related party transactions**
Details of all material transactions with related parties are disclosed in note 31.

(xix) **Remuneration of directors**
Details of remuneration of directors disclosed in note 31- related parties.

(xx) **Management**
Refer Directors' report for the relevant disclosures.

(xxi) **Net profit or loss for the period, prior period items and changes in accounting policies**
There are no prior period items that have impact on the current year's profit and loss.

(xxii) **Revenue recognition**
There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

(xxiii) **Ind AS 110 – Consolidated financial statements (CFS)**
The company has prepared the consolidated Financial Statements (CFS) as per Ind AS 110

PHL Fininvest Private Limited

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs. in lakhs)

38 Additional Non-Banking Financial Company disclosures *(Continued)*

(xxiv) **Forward rate agreement (FRA) / Interest rate swap (IRS)**
The Company has not taken any Forward rate agreement / Interest rate swap during the year ended March 31, 2022.

(xxv) **Exchange traded interest rate (IR) derivative**
The Company has not taken any exchange traded interest rate (IR) derivatives during the year ended March 31, 2022.

(xxvi) **Disclosure on risk exposure in derivative - Qualitative and quantitative disclosures**
The Company has not taken any risk exposure in derivatives instruments as on March 31, 2022. Hence, this disclosure under this para is not applicable.

For and on behalf of the Board of Directors of
PHL Fininvest Private Limited

Khushru Jijina
Managing Director
DIN: 00209953
Mumbai

Narayanan Vaghul
Director
DIN: 00002014
Chennai

Devesh Choudhari
Chief Financial Officer
Mumbai

Namrata Sajnani
Company Secretary
Mumbai

Date : May 25, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

External Public

Annexure 16

Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

To,
The Board of Directors,
Piramal Enterprises Limited,
Ground Floor, Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction,
LBS Marg, Kurla (West),
Mumbai – 400070

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the Draft Composite Scheme of Arrangement.

We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of Piramal Enterprises Limited, (hereinafter referred to as "the Company"/ "Demerged Company"), have examined the proposed accounting treatment as specified in clause 21.1 with regard to demerger of the Demerged Undertaking as defined in clause 6.1.(xxiii) of the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited, Piramal Pharma Limited ("the Resulting Company"), Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors ("the Draft Scheme") in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind AS as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Ind AS notified by the Central Government under the Companies Act, 2013.

Regd. Office. One International Center, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India. (LLP Identification No. AAB-8737)

Deloitte
Haskins & Sells LLP

This Certificate read with the notes attached in Appendix 1 below, is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 230 to 232 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal, BSE Limited and the National Stock Exchange of India Limited.

This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHC6426)

Killa Pardi, December 10, 2021

Deloitte
Haskins & Sells LLP

Appendix 1

Notes to Independent Auditor's Certificate

1. This certificate is issued in accordance with the terms of our engagement letter dated August 19, 2021. It supersedes our earlier certificate issued dated October 07, 2021 bearing UDIN no. 21046930AAAAFJ2334.

2. For ease of reference, the Clause 21.1 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Company, duly authenticated by the Company's management, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Management's responsibility

3. The Board of Directors of the Companies involved are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme; ensuring compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules made thereunder and other generally accepted accounting principles, as aforesaid; applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHC6426)

Killa Pardi, December 10, 2021

Annexure 1

Relevant extract of Clause 21.1 to the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited ('Demerged Company'), Piramal Pharma Limited ('Resulting Company'), Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and, and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act").

"Clause 21.1"

Accounting treatment in the books of the Demerged Company:

i. *The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Undertaking at the values appearing in its books of account (i.e. the book value) at the Appointed Date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of account, the book values of assets and liabilities appearing on such date.*

ii. *For compliance with Appendix A to Ind AS 10, the Demerged Company shall debit the fair value of the Demerged Undertaking to the retained earnings and create a corresponding liability.*

iii. *The book value of net assets derecognised at (i) above will be adjusted against the liability recognised at (ii) above. The difference, if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS 10.*

For **Piramal Enterprises Limited**

Chief Financial Officer
Mumbai, December 10, 2021

Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
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Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

To,
The Board of Directors,
Piramal Enterprises Limited,
Ground Floor, Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction,
LBS Marg, Kurla (West),
Mumbai – 400070

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the Draft Composite Scheme of Arrangement.

We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of Piramal Enterprises Limited, (hereinafter referred to as "the Company"/ "Amalgamted FS Company"), have examined the proposed accounting treatment as specified in clause 41 with regard to merger of the PHL Fininvest Private Limited ("Amalgamating FS Company") into the Company as specified in the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors ("the Draft Scheme") in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind AS as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Ind AS notified by the Central Government under the Companies Act, 2013.

Deloitte
Haskins & Sells LLP

This Certificate read with the notes attached in Appendix 1 below, is issued at the request of the Piramal Enterprises Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 230 to 232 of the Companies Act, 2013 for onward submission to the BSE Limited, the National Stock Exchange of India Limited and the National Company Law Tribunal.

This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHB4404)

Killa Pardi, December 10, 2021

Deloitte
Haskins & Sells LLP

Appendix 1

Notes to Independent Auditor's Certificate

1. This certificate is issued in accordance with the terms of our engagement letter dated August 19, 2021. It supersedes our earlier certificate issued dated October 7, 2021 bearing UDIN no. 21046930AAAAFI3473.

2. For ease of reference, the Clause 41 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Company, duly authenticated by the Company's management, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Management's responsibility

3. The Board of Directors of the Companies involved are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme; ensuring compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules made thereunder and other generally accepted accounting principles, as aforesaid; applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHB4404)

Killa Pardi, December 10, 2021

Annexure 1

Relevant extract of Clause 41 to the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited ('Amalgamated FS Company'), Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited ('Amalgamating FS Company') and their respective shareholders and creditors.

"Clause 41"

Accounting treatment in the books of the Amalgamated FS Company:

The Amalgamated FS Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act.

i. *The Amalgamated FS Company shall record all the assets and liabilities of the Amalgamating FS Company vested in it pursuant to this Scheme, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated FS Company. Inter-Company balances, loans and advances, if any, will stand cancelled.*

ii. *The Amalgamated FS Company shall record all reserves of the Amalgamating FS Company vested in it pursuant to this Scheme, in the same form and manner, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated FS Company.*

iii. *The carrying amount of investments in the equity shares of the Amalgamating FS Company held by Amalgamated FS Company, shall stand cancelled and there shall be no further obligation in that behalf.*

iv. *Comparative financial information in the financial statements of the Amalgamated FS Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.*

v. *The difference, if any, between the assets, liabilities and reserves acquired in clause (i) and (ii) above and equity shares cancelled as stated in clause (iii) above shall be transferred to capital reserve.*

For **Piramal Enterprises Limited**

Chief Financial Officer
Mumbai, December 10, 2021

Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

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

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the Draft Composite Scheme of Arrangement.

We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of Piramal Pharma Limited, (hereinafter referred to as "the Company"/ "Resulting Company"), have examined the proposed accounting treatment as specified in clause 21.2 with regard to demerger of the Demerged Undertaking as defined in clause 6.1.(xxiii) of the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited ("Demerged Company"), Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors ("Draft Scheme") in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind ASas aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Ind AS notified by the Central Government under the Companies Act, 2013.

Regd. Office. One International Center, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, Maharashtra, India. (LLP Identification No. AAB-8737)

Deloitte
Haskins & Sells LLP

This Certificate read with notes attached in Appendix 1 below, is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 230 to 232 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal by the Company and to BSE Limited and the National Stock Exchange of India Limited by Piramal Enterprises Limited.

This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHE6060)

Killa Pardi, December 10, 2021

Deloitte
Haskins & Sells LLP

Appendix 1

Notes to Independent Auditor's Certificate

1. This certificate is issued in accordance with the terms of our engagement letter dated August 19, 2021. It supersedes our earlier certificate issued dated October 07, 2021 bearing UDIN no. 21046930AAAAFL2245.

2. For ease of reference, the Clause 21.2 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Company, duly authenticated by the Company's management, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Management's responsibility

3. The Board of Directors of the Companies involved are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme; ensuring compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules made thereunder and other generally accepted accounting principles, as aforesaid; applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHE6060)

Killa Pardi, December 10, 2021

Annexure 1

Relevant extract of Clause 21.2 to the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited ('Demerged Company'), Piramal Pharma Limited ('Resulting Company'), Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act")

"Clause 21.2"

Accounting treatment in the books of the Resulting Company:

i. The Resulting Company shall record the assets (excluding investments in Resulting Company) and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this Scheme, at their respective fair values as on the Appointed Date in accordance with Ind AS - 103.

ii. The Resulting Company shall recognise its own equity instruments forming part of the Demerged Undertaking at fair value as per Ind AS - 109 and simultaneously cancel its own equity instruments as per Ind AS - 32 and difference between fair value (as at the Appointed Date) and face value of the equity shares shall be adjusted against the securities premium account.

iii. In respect of PPL Equity Shares to be issued by Resulting Company pursuant to Clause 19 of the Scheme as consideration the Resulting Company shall credit its equity share capital account for the aggregate face value of these shares and credit the securities premium account for the premium on issuance of the same.

iv. The balance, if any, after giving effect to clauses (i) to (iii) above shall be transferred by the Resulting Company to its capital reserve account or goodwill, as the case may be.

v. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Demerged undertaking and Resulting company as appearing in their books of accounts, if any, shall stand cancelled

For **Piramal Pharma Limited**

PIRAMAL PHARMA LIMITED

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Chief Financial Officer
Mumbai, December 10, 2021

Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
Fax: +91 22 6185 4001

To,
The Board of Directors,
Piramal Pharma Limited,
Ground Floor, Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction,
LBS Marg, Kurla (West),
Mumbai – 400070

Independent Auditor's Certificate certifying the proposed accounting treatment contained in the Draft Composite Scheme of Arrangement.

We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of Piramal Pharma Limited, (hereinafter referred to as "the Company"/ "Amalgamated Pharma Company"/ "PPL"), have examined the proposed accounting treatment with regard to merger of the Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited into the Company as specified in clause 31 of the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited ("PEL"/ "Demerged Company"), Piramal Pharma Limited, Convergence Chemicals Private Limited ("Amalgamating Pharma Company 1"), Hemmo Pharmaceuticals Private Limited ("Amalgamating Pharma Company 2") and PHL Fininvest Private Limited and their respective shareholders and creditors ("the Draft Scheme") in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind AS as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, and all the applicable Ind AS notified by the Central Government under the Companies Act, 2013.

Deloitte
Haskins & Sells LLP

This Certificate read with the attached notes is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 230 to 232 of the Companies Act, 2013 for onward submission to BSE Limited and the National Stock Exchange of India Limited by the Demerged Company and to the National Company Law Tribunal by the Company.
This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHD5694)

Killa Pardi, December 10, 2021

Deloitte
Haskins & Sells LLP

Appendix 1

Notes to Independent Auditor's Certificate

1. This certificate is issued in accordance with the terms of our engagement letter dated August 19, 2021. It supersedes our earlier certificate issued dated October 07, 2021 bearing UDIN no. 21046930AAAAFK9248.

2. For ease of reference, the Clause 31 of the Draft Scheme relating to the proposed accounting treatment in the books of account of the Company, duly authenticated by the Company's management, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Management's responsibility

3. The Board of Directors of the Companies involved are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme; ensuring compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules made thereunder and other generally accepted accounting principles, as aforesaid; applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 21046930AAAAHD5694)

Killa Pardi, December 10, 2021

Annexure 1

Relevant extract of Clause 31 to the Draft Composite Scheme of Arrangement between Piramal Enterprises Limited, Piramal Pharma Limited ('Amalgamated Pharma Company'), Convergence Chemicals Private Limited ('Amalgamating Pharma Company 1'), Hemmo Pharmaceuticals Private Limited ('Amalgamating Pharma Company 2') and PHL Fininvest Private Limited and their respective shareholders and creditors

"Clause 31"

Accounting treatment in the books of the Amalgamated Pharma Company:

The Amalgamated Pharma Company shall account for the amalgamation in its books of accounts in accordance with the 'pooling of interest method' laid down in Appendix C of Indian Accounting Standard 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Act.

i. The Amalgamated Pharma Company shall record all the assets and liabilities of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 vested in it pursuant to this Scheme, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated Pharma Company. Inter-Company balances, loans and advances, if any, will stand cancelled.

ii. The Amalgamated Pharma Company shall record all reserves of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 vested in it pursuant to this Scheme, in the same form and manner, at their respective book values as appearing in the Consolidated Financial Statement of the Amalgamated Pharma Company.

iii. The carrying amount of investments in the equity shares of the Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by Amalgamated Pharma Company, shall stand cancelled and there shall be no further obligation in that behalf.

iv. Comparative financial information in the financial statements of the Amalgamated Pharma Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period or from the date of acquisition, whichever is later.

v. The difference, if any, between the assets, liabilities and reserves acquired in clause (i) and (ii) above and equity shares cancelled as stated in clause (iii) above shall be transferred to capital reserve.

For **Piramal Pharma Limited**

Chief Financial Officer
Mumbai, December 10, 2021

Deloitte Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai-400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

To,
The Board of Directors,
Convergence Chemicals Private Limited,
Plot No. D-2/11/A1,
G.I.D.C. Phase II,
Dahej Tal Vagra Dahej,
Bharuch GJ 392130

Independent Auditor's Certificate on the Statement of Proposed Accounting Treatment on Amalgamation

We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of Convergence Chemicals Private Limited, (hereinafter referred to as "the Company"/ "Amalgamating Pharma Company 1"), have reviewed the accompanying statement titled "Statement of Proposed Accounting Treatment on Amalgamation of Convergence Chemicals Private Limited ("the Company"/Amalgamating Pharma Company 1") with Piramal Pharma Limited ("Amalgamated Pharma Company")" ("the Statement") and the Draft Composite Scheme of Arrangement as approved by the Board of Directors of the Company amongst the Company and Piramal Enterprises Limited, Piramal Pharma Limited ("Amalgamated Pharma Company"), Hemmo Pharmaceuticals Private Limited ("Amalgamating Pharma Company 2"), PHL Fininvest Private Limited and their respective shareholders and creditors ("Draft Scheme"), under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("Act"), as may be applicable, with reference to its compliance with the applicable Indian Accounting Standard (Ind AS) notified under Section 133 of the Act, as prepared by the Management of the Company for onward submission to the National Company Law Tribunal.

The responsibility for the preparation of the Statement and Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Ind AS, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the accounting treatment contained in the Statement and Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, upon the Draft Scheme becoming effective, the Amalgamating Pharma Company 1 shall be dissolved without winding up and thus, there is no accounting treatment prescribed under the Draft Scheme in relation to the Company.

This Certificate read with the notes attached in Appendix 1 below, is issued at the request of the Company pursuant to the requirements of section 230 to 232 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal.

Deloitte
Haskins & Sells LLP

This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 22046930AHPXRV3208)

Mumbai, April 22, 2022

Deloitte
Haskins & Sells LLP

Appendix 1

Notes to Independent Auditor's Certificate

1. This certificate is issued in accordance with the terms of our engagement letter dated April 21, 2022.

Management's responsibility

2. The Board of Directors of the Companies involved are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and Draft Scheme; ensuring compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules made thereunder and other generally accepted accounting principles, as aforesaid; applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

3. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN:22046930AHPXRV3208)

Mumbai, April 22, 2022

Convergence Chemicals Pvt. Ltd.
Creating Value through Specialty Chemicals

Statement of Proposed Accounting Treatment on Amalgamation of Convergence Chemicals Private Limited ("the Company"/Amalgamating Pharma Company 1") with Piramal Pharma Limited ("Amalgamated Pharma Company")

a. This is with reference to Draft Composite Scheme of Arrangement as approved by the Board of Directors of the Company amongst the Company and Piramal Enterprises Limited, Piramal Pharma Limited ("Amalgamated Pharma Company"), Hemmo Pharmaceuticals Private Limited ("Amalgamating Pharma Company 2"), PHL Fininvest Private Limited and their respective shareholders and creditors ("Draft Scheme"), under sections 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable.

b. As per clause 33.1 of the Draft Scheme, *"On the Effective Date, each of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 shall stand dissolved without being wound up and without any further act or deed."*

c. Amalgamating Pharma Company 1 shall stand dissolved without being wound up upon this Draft Scheme becoming effective as mentioned in Clause 33.1 of the Draft Scheme and all the assets and liabilities as well as reserves shall be transferred to the Amalgamated Pharma Company, on a going concern basis. Hence, there is no accounting treatment prescribed in the Draft Scheme for the books of accounts of the Amalgamating Pharma Company 1.

For **Convergence Chemicals Private Limited**

Authorised Signatory

Mr. Divya Taldar

(Chief Financial Officer)

Place: Mumbai

Date: April 22, 2022

Convergence Chemicals Private Limited

Deloitte Haskins & Sells LLP Mumbai

Convergence Chemicals Private Limited

CIN: U24100MH2014PTC373507

Regd. Office: Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBSMarg, Kurla West, Mumbai – 400070, Maharashtra, India
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Site Address: Plot No. D-2/11/A1, G.I.D.C., Phase-II, Dahej, Tal. Vagra, Dist. Bharuch - 392130, Gujarat, INDIA.
T +91 2641 669800 **E** info@ccpl.com

CNK
& ASSOCIATES LLP
CHARTERED ACCOUNTANTS

To

The Directors

Hemmo Pharmaceuticals Private Limited

113 – 115 Turf Estate, 3/65 Off Dr E Moses Road,

Mahalaxmi, Mumbai 400 011.

Subject: Independent Auditor's Certificate on the proposed accounting treatment in the books of Hemmo Pharmaceuticals Private Limited

1. We, **M/s C N K & Associates LLP, Chartered Accountants**, the Statutory Auditors of **Hemmo Pharmaceuticals Private Limited** (the "Company") having its Registered Office at **113-115, Turf Estate, 3/65 Off Dr E Moses Road, Mahalaxmi, Mumbai - 400011** are issuing this certificate in response to a request from the Company dated April 21, 2022 on proposed accounting treatment contained in the Composite Scheme of Arrangement between Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Finvest Private Limited and their respective shareholders and creditors ("Scheme"), as approved by the respective Board of Directors in their meeting held on October 7, 2021, We have been informed that the certificate is required in connection with the Scheme involving the Company and with reference to its compliance with the applicable Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 for onward submission to National Company Law Tribunal (NCLT).

Management's Responsibility

2. The preparation of the Scheme and the accounting in connection therewith is solely the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other supporting records and documents including the compliance with the relevant laws and regulations and applicable Ind AS. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

3rd Floor, Mistry Bhavan, Dinshaw Vachha Road, Churchgate, Mumbai 400 020, India. Tel: +91 22 6623 0600
501-502, Narain Chambers, M.G. Road, Vile Parle (E), Mumbai 400 057, India. Tel: +91 22 6250 7600
Website: www.cnkindia.com
MUMBAI | BENGALURU | CHENNAI | VADODARA | AHMEDABAD | GANDHINAGAR | DELHI | DUBAI | SHARJAH

3. The Management of the Company is also responsible for the ensuring that the Company complies with all the requirements / conditions of the Scheme and other applicable rules and regulations and collecting, collating and validating data and designing, implementing, monitoring of internal controls suitable for ensuring compliance with all the applicable requirements in this matter.

Auditor's Responsibility

4. It is our responsibility to certify whether the accounting treatment as mentioned in the Scheme is in accordance with the applicable Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.

Conclusion

8. On the basis of our verification of the Scheme and the aforementioned relevant records and documents as referred to in Paragraph 4 above and according to the information, explanations, representations provided to us by the Management of the Company and documents maintained by the Company, since the Company will cease to exist post the approval/implementation of the Scheme, accordingly, no accounting treatment is prescribed in the aforesaid Scheme for the Company.

Restriction on Use

9. This Certificate is issued at the request of the Company for the purpose mentioned in paragraph 1 above i.e. for submission to NCLT pursuant to the Scheme and should not be used for any other purpose, or referred to in any of the document, or distributed to anyone without our prior written consent.

For **C N K & Associates LLP**
Chartered Accountants
Firm Registration No. 101961 W/W-100036

Diwakar Sapre
Partner
Membership No. 040740
Certificate No. Cert/C/028/22-23
UDIN No. 22040740AHQEHC3407
Place: Mumbai
Date: April 22, 2022

LODHA
& CO
CHARTERED ACCOUNTANTS

6, Karim Chambers, 40, A, Doshi Marg, (Hamam Street),
Mumbai 400 001 INDIA.
Telephone : 0091-22-2269 1414 / 4002 1415
0091-22-4002 1140 / 4002 1414
E-mail : mumbai@lodhaco.com

Independent Auditor's Certificate on the proposed accounting treatment for PHL Fininvest Private Limited contained in the Composite Scheme of Arrangement

We, Lodha & Company, Chartered Accountants, Statutory Auditors, have been requested by PHL Fininvest Private Limited ("the Company"), having its registered Office at Piramal Tower, 4th Floor, Peninsula Corporate Park, Ganapatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra 400013 to issue a certificate on proposed accounting treatment contained in the composite scheme of arrangement between Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, the Company and their respective shareholders and creditors ("Scheme"), as approved by the respective Board of Directors in their meetings held on October 7, 2021, with reference to its compliance with the applicable Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013.

Management's Responsibility for the statement

The preparation of the draft Scheme is the responsibility of the Management, including the compliance with the relevant laws and regulations and applicable Ind AS.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the draft Scheme and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

We performed the procedures in accordance with the requirements of the Guidance Note on 'Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.

Conclusion

Based on our examination and according to the information and explanations given to us, since the Company will cease to exist post the approval/implementation of the Scheme, accordingly, no accounting treatment is prescribed in the aforesaid Scheme for the Company.

Restriction on Use

This certificate is issued at the request of the Company to enable it for onward submission to National Company Law Tribunal pursuant to the Scheme.

LODHA & CO. MUMBAI-01 Chartered Accountants

This certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Lodha & Company
Chartered Accountants
Firm Registration Number – 301051E

R. P. Baradiya
Partner
Membership No. – 44101
UDIN: 22044101AGYQTL8650

LODHA & CO. MUMBAI-01 Chartered Accountants

Place: Mumbai
Date: April 13, 2022

Annexure 17

This is an abridged prospectus containing information pertaining to Piramal Pharma Limited in relation to the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 before the National Company Law Tribunal, Mumbai bench ("**NCLT**") amongst Piramal Enterprises Limited ("**PEL**") and Piramal Pharma Limited ("**PPL**" or "**Company**") and Convergence Chemicals Private Limited ("**CCPL**") and Hemmo Pharmaceuticals Private Limited ("**HPPL**") and PHL Fininvest Private Limited ("**PFPL**") and their respective Shareholders and Creditors ("**Scheme**")
THIS ABRIDGED PROSPECTUS CONSISTS '23' PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

PIRAMAL PHARMA LIMITED
CIN: U24297MH2020PLC338592, Date of Incorporation: March 4, 2020

Registered Office	Corporate	Contact Person	Email and Telephone	Website
Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla , Mumbai – 400 070, Maharashtra	Same as registered office	Ms. Tanya Sanish	Email: corporate.secretarial@piramal.com Telephone: (91 22) 3802 3000/4000	www.piramal.com

NAMES OF PROMOTER(S) OF THE COMPANY

MR. AJAY G. PIRAMAL*

**Will be the promoter of Piramal Pharma Limited once the Scheme has been approved by the NCLT*

Details of Offer to Public

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable							

Operation of the Scheme:

The Scheme, inter alia, provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of PEL to PPL, the consequent issue of equity shares by PPL to the shareholders of PEL in accordance with the Share Entitlement Ratio (as defined in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking of PEL shall stand cancelled and extinguished;

(ii) the amalgamation of **CCPL** and **HPPL**, both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder ("**Pharma Amalgamations**");

PIRAMAL PHARMA LIMITED

(iii) the amalgamation of **PFPL**, a wholly owned subsidiary of PEL, into PEL and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by PEL and joint shareholders ("**FS Amalgamation**"); and

(iv) various other matters consequential or integrally connected therewith

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from PEL to the Company in terms of the Scheme, the Company shall issue and allot 95,46,54,800 equity shares to the shareholders of PEL as on the Demerger Record Date (as defined in the Scheme), in accordance with the Registered Valuer's Report, in the following manner:

"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL."

These equity shares are proposed to be listed on BSE Limited (designated stock exchange) and National Stock Exchange of India Limited.

OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders *(upto a maximum of 10 selling shareholders)*

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band*	Not Applicable
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

*For details of *price band* and *basis of offer price,* please refer to price band advertisement and page xx of RHP. – Not applicable

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP –Not Applicable

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	**Not Applicable**		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

PIRAMAL PHARMA LIMITED

RISKS IN RELATION TO THE FIRST OFFER
The face value of the Equity Shares is x. The Floor Price, Cap Price and Offer Price determined by our Company and the Selling Shareholders, in consultation with the BRLM's, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under *"Basis for Offer Price"* on page xx should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing. – **Not Applicable**

GENERAL RISKS
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Abridged Prospectus - **Not applicable as the offer is not for public at large and no investment by the public is required in the Company**. Specified attention of the investors is invited to the section titled "Internal Risk Factors" on pages **21** and **22** of this Abridged Prospectus.

LISTING
Pursuant to the Scheme and subject to applicable laws and receipt of requisite approvals, the equity shares of face value of Rs. 10 each of the Company, will be listed on BSE Limited and the National Stock Exchange of India Limited ("**Stock Exchanges**")

PROCEDURE
The procedure with respect to public issue / offer would not be applicable as this issue is only to the shareholders of PEL ("**Demerged Company**"), pursuant to the Scheme, without any cash consideration. Hence, the procedure with respect to a General Information Document is not applicable.

PRICE INFORMATION OF BRLM's*				
Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
		+ 1% (+5%)	-2% (-5%)	
Not Applicable				

* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Name of BRLM and contact details (telephone and email id) of each BRLM	**Not Applicable**
Name of Syndicate Members	**Not Applicable**

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included – **Not Applicable**

Name of Registrar to the Issue and contact details (telephone and email id)	**Not Applicable**
Name of Statutory Auditor	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture trustee, if any	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	

PIRAMAL PHARMA LIMITED

Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	

PROMOTERS OF THE ISSUER COMPANY			
Sr. No.	**Name**	**Individual/ Corporate**	**Experience & Educational Qualification**
1.	Mr. Ajay G. Piramal	Individual	Experience: Mr. Ajay Piramal, one of India's leading industrialists and philanthropists, and as Chairman of the Piramal Group, has led its transformation into a USD10 billion global business conglomerate. The Piramal Group has diverse interests in financial services, pharmaceuticals and real estate, with offices in 30 countries and its products sold in more than 100 countries. The Group has a strong track record of robust sustained partnerships with several marquee global investors and partners. Under Mr. Piramal's leadership, the Group completed the acquisition and merger of Dewan Housing Finance Limited (DHFL) in September 2021, marking the first successful resolution under the IBC route in the financial services sector. In value terms, the transaction is amongst the largest resolutions till date, setting the precedent for future resolutions in the sector. He is also deeply invested in unblocking India's socio-economic potential through the Piramal Foundation, and is an ardent promoter of social entrepreneurship. Mr. Piramal actively steers the Group's involvement in various social impact initiatives through the Piramal Foundation, to develop innovative long term and scalable solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation currently works across 25 states and has impacted over 112 million lives, mostly in partnership with state governments, through Piramal Swasthya, Piramal Sarvajal and Piramal School of Leadership. Piramal Foundation has partnered with NITI Aayog, India's foremost think-tank, in 25 Aspirational Districts across 7 states in India, to improve human development indicators across Healthcare & Nutrition and Education, amongst marginalised sections of society. In 2022, Mr. Piramal received an honorary Commander of the Order of the British Empire (CBE) by Her Majesty The Queen, for services to the UK-India trade relationship as India Co-Chair of the UK-India CEO Forum. He was also awarded the 'Deal Maker Hall Of Fame' at the Mint India Investment Summit 2022, in recognition for a lifetime of achievement and service in creating and unlocking value through investing and crafting deals.

PIRAMAL PHARMA LIMITED

			Mr. Piramal holds key positions on the Boards of several companies and prestigious institutions. He serves on the Harvard Business School's Board of Dean's Advisors, is co-Chair of the UK-India CEO Forum and Non-Executive Director of Tata Sons Ltd. Passionate about contributing to education in India, Mr. Piramal also serves as President and Chairman of Anant National University and Chairman of the Pratham Education Foundation. Qualifications: • Honours degree in Science from Mumbai University. • Master's degree in Management Studies from the Jamnalal Bajaj Institute of Management Studies. • Completed an Advanced Management Programme from the Harvard Business School. • Conferred with an Honorary Doctorate in Philosophy (D. Phil) by Amity University, India. Honorary Doctor of Science (Honoris Causa) Degree by IIT-Indore.

Details of promoter/s should not exceed 500 words while explaining their experience and educational qualifications

BUSINESS OVERVIEW AND STRATEGY

Company Overview:

The Company is a public limited company which was incorporated on March 4, 2020 and is registered with the Registrar of Companies, Mumbai, Maharashtra, under the Companies Act, 2013. Its Corporate Identification Number is U24297MH2020PLC338592 and its registered office is situated at Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla, Mumbai – 400 070.

The Company offers a portfolio of differentiated products and services through end-to-end manufacturing capabilities across 14 global facilities and a global distribution network in over 100 countries. The Company includes an integrated Contract Development and Manufacturing Organization ("**CDMO**") business, Complex Hospital Generics ("**CHG**") business and India Consumer Healthcare ("**ICH**") business, selling over-the-counter products in India.

Product/Service Offering:

The Company is primarily engaged, directly and indirectly (i) in the business of contract development and organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients, formulations; (ii) business of manufacturing, selling and distribution of complex hospital generics including inhalation anesthesia injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (iii) selling and marketing of consumer healthcare products.

Revenue segmentation by product/service offering:

- CDMO: 59%
- CHG: 30%
- ICH: 11%

PIRAMAL PHARMA LIMITED

Geographies Served: Primarily North America, Europe, India and Japan. **Revenue segmentation by geographies:** • North America: 41% • Europe: 23% • India: 22% • Japan: 4% • Rest of World: 10%
Key Performance Indicators: Quality Compliance- Official Action Indicated (OAIs) : Successfully cleared 36 USFDA inspections, 269 total regulatory inspections since the beginning of FY2012. • Revenue: 10 Year Revenue; CAGR of 13% • EBITDA: 10 Year EBITDA; CAGR of 24%
Client Profile or Industries Served: Mainly Pharmaceuticals industry **Revenue segmentation in terms of top 5/10 clients or Industries:** • For CDMO business: Top 10 customers contribute to 39% of the revenue. • For CHG & ICH: not applicable.
Intellectual Property, if any: The Company uses both, owned and licensed Intellectual Property Rights, in the conduct of its pharma operations.
Market Share: Not Applicable
Manufacturing plant, if any: - Plot No. 67-70, Sector II, Pithampur, District Dhar, Madhya Pradesh, 454 775; - Plot No. 18 PHARMEZ, Village Matoda, Sarkhejbawala, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat; - Plot No. 19 - PHARMEZ, Village Matoda, Sarkhejbawala, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat; - D.No. 7-70, Sy. No. 71 & 77 to 82, Digwal Village, Kohir Mandal, Sangareddy District, Telangana State - 502321; - Ennore Express Highway, Ernavur Village, Ennore, Chennai, 600 057, Tamil Nadu.
Employee Strength: 3,729 employees

Note:

(1) The quantitative statements shall be substantiated with Key Performance Indicators (KPIs) and other quantitative factors.

(2) No qualitative statements shall be made which cannot be substantiated with KPIs.

(3) Information provided in the table should not exceed 1000 words

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BOARD OF DIRECTORS				
Sr. No.	**Name**	**Designation (Independent / Whole time / Executive / Nominee)**	**Experience & Educational Qualification**	**Other Directorships**
1	Ms. Nandini Piramal	Executive Director	Experience: Nandini Piramal is the Executive Director at Piramal Enterprises Limited and Chairperson at Piramal Pharma Limited. She is responsible for setting strategy and driving results at Piramal Pharma. Additionally, she heads the Human Resources function and the Information Technology function at Piramal Group and Quality at Piramal Pharma. She is leading a five-year transformation agenda across the Piramal Group for top talent identification and development process across levels. In 2020, Ms. Piramal was recognised amongst 'India's Most Powerful Women' by Business Today and in 2014, the World Economic Forum recognised her as a 'Young Global Leader'. Ms. Piramal also advises Piramal Foundation and Piramal Sarvajal, which serves clean water daily to approximately 7,50,000 people across 20 Indian States. Qualification: • Graduated with BA (Hons) Politics, Philosophy and Economics from Oxford University, • MBA from Stanford Graduate School of Business.	Indian Companies: • Piramal Enterprises Limited • Montane Ventures Private Limited • Piramal Water Private Limited • The Swastik Safe Deposit and Investments Limited • Piramal Udgam Data Management Solutions Foreign Companies: NIL
2	Mr. Peter DeYoung	Executive Director	Experience: Mr. Peter DeYoung is the CEO of Piramal Global Pharma, Piramal Pharma Limited and a member of Piramal Pharma Limited Board. Piramal Global	Indian Companies: NIL

PIRAMAL PHARMA LIMITED

			Pharma is comprised of Piramal Pharma Solutions and Piramal Critical Care business units. In his current role, Mr. DeYoung is responsible for steering strategy and driving profitable growth of these businesses. Prior to this, he has spearheaded several leadership mandates at the CEO, Piramal Critical Care and President, Life Sciences. Previously, Mr. DeYoung worked in various investing and consulting roles in healthcare in the USA, Europe and India. He joined McKinsey & Company in New York after graduating from Princeton, where he worked on a number of projects for pharmaceutical and medical device companies. He was then seconded by McKinsey to the World Economic Forum in Geneva, Switzerland as part of the Global Health Initiative. Mr. DeYoung returned to McKinsey in New York and later in Mumbai, where he focused on the pharmaceutical and healthcare practice. Later, he joined the Blackstone Group's Private Equity Division in Mumbai where he was part of the deal team for several significant transactions, across a wide spectrum of industry sectors in India. Qualifications: • Bachelor of Science Degree in Engineering from Princeton University, New Jersey, USA (summa cum laude); • Master's Degree in Business Administration from Stanford University (Arjay Miller Scholar), California, USA.	Foreign Companies: • Piramal Pharma Inc. • Piramal Healthcare Inc. • Piramal Critical Care Inc. • Piramal Pharma Solutions Inc. • PEL Pharma Inc. • Piramal Critical Care Limited • Piramal Healthcare (Canada) Limited • Piramal Critical Care Italia S.P.A. • Piramal Dutch Holdings N.V. • Piramal Dutch IM Holdco B.V. • Piramal Critical Care B.V. • Piramal Critical Care South Africa (Pty) Limited • Piramal Critical Care Pty Limited • Piramal Healthcare UK Limited • Ash Stevens LLC • PEL Healthcare LLC

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3	Mr. Vivek Valsaraj	Executive Director	Experience: Mr. Vivek Valsaraj is the President – Finance and Chief Financial Officer ("**CFO**") of the Company. He is also the CFO of Piramal Enterprises Limited. A qualified CMA with over two decades of experience in the field of Finance, he currently oversees the Finance & Shared Services functions of the Company. Mr. Valsaraj has been associated with the Piramal Group for over 21 years, and has previously served various roles across Corporate, the erstwhile Domestic Formulations business as well as CFO of the Pharma business. Over the past few years, he has actively participated in key acquisitions and divestments, and has also been responsible for executing systems and processes and internal controls that ensure financial discipline. Prior to joining Piramal Group, Mr. Valsaraj has worked with companies such as Wockhardt Ltd. and Bharat Bijlee Ltd. His extensive experience pans across functions such as Corporate Finance, Business Strategy, Mergers and Acquisitions, Corporate Structuring, Corporate Governance and Taxation Qualification: Cost and Management Accountant	Indian Companies: • Convergence Chemicals Private Limited • Allergan India Private Limited Foreign Companies: • Piramal Healthcare UK Limited • Piramal Critical Care Inc. • Piramal Healthcare (Canada) Limited • Piramal Holdings (Suisse) SA • Ash Stevens LLC
4	Mr. Neeraj Bharadwaj	Non-Executive Director	Experience: Mr. Neeraj Bharadwaj is the Managing Director of Carlyle India Advisors Private Limited, focused on growth capital and buyout opportunities across sectors in India.	Indian Companies: • Foundation for Promotion of Sports and Games • Indian School of Business • Carlyle India Advisors Private Limited

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			Prior to joining Carlyle in 2012, Mr. Bharadwaj was a Managing Director with Accel Partners' growth investing operation in India. Preceding that he was with Apax Partners for nearly 10 years – he was a Partner in the U.S. and subsequently Managing Director/Country Head for Apax in India, where he led the India operations. Investments he has been involved with include Apollo Hospitals (BSE: AHEL), Jamdat (NASDAQ: JMDT), Widerthan (NASDAQ: WTHN) and others. Previously, Mr. Bharadwaj was an engagement manager at McKinsey & Co. Mr. Bharadwaj was selected as Board Member of the Indian School of Business (ISB), a Young Global Leader of the World Economic Forum (WEF), Board Member of Olympic Gold Quest (OGQ), Member of the Harvard Business School South Asia Advisory Board, Member of the Wharton Executive Education Board, Member of the Young Presidents' Organization and Chair, FICCI Committee on Private Equity & Venture Capital. Mr. Bharadwaj serves on the boards of Global Health Private Limited, VXI Global Solutions, Delhivery Logistics, Visionary RCM and others. Previously, he served on the board of Metropolis Healthcare. Qualification: • MBA from Harvard Business School, • Graduated summa cum laude with a Bachelor's degree in Economics.	• Coditech Software Solutions India Private Limited • Sequent Scientific Limited • Nxtra Data Limited • Indegene Private Limited • Viyash Lifesciences Private Limited • Hexaware Technologies Limited • Ver Se Innovation Private Limited Foreign Companies: • Friends of the Indian School of Business Foundation • Foundation for Promotion of Sports and Games, • Mars Group Holdings Ltd • Venus Acquisition LLC • Venus Acquisition Subsidiary LLC • VXI Global Solutions LLC • VXI Hongkong Ltd • Hongkong Vision-X Ltd • Vision-X Enterprises Management Ltd • Chengdu Vision-X Information Technology Company Ltd • Hefei Vision-X Information Technology Company Ltd. • Vision-X Inc. • Shanghai Vision-X Electronic Technology Ltd.

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5	Mr. Jairaj Purandare	Independent Director	Experience: Mr. Jairaj Purandare is the Founder Chairman of JMP Advisors Private Limited, a leading advisory, accounting, tax and regulatory services firm, based in Mumbai, India. He has almost four decades of experience in accounting, tax and business advisory matters and is an authority on tax and regulation. Mr. Purandare was Regional Managing Partner, Chairman–Tax and Country Leader–Markets & Industries of PricewaterhouseCoopers India. Mr. Purandare was earlier Chairman of Ernst & Young India (EY). Mr. Purandare was the Country Head of the Tax & Business Advisory practice of Andersen India, before joining EY. Mr. Purandare has significant expertise in advising clients such as Bechtel, Citibank, GE, HSBC, Hutchison, Mahindra & Mahindra, Pepsico, Standard Chartered Bank, STAR and Tata Group. He has considerable experience on various issues in the Financial Services, Infrastructure, Power, Telecom, Media, Pharma and Auto sectors. JMP Advisors has been recognised as a leading Tax firm in India by International Tax Review (Euromoney) for all successive years since incorporation. A frequent speaker at seminars in India and abroad, Mr. Purandare has presented several papers in areas of his expertise including inbound/outbound investment structuring, international tax, transfer pricing, M&As, Indian Budget and Economy.	Indian Companies: • HDFC Asset Management Company Limited • JMP Advisors Pvt. Ltd. • Indegene Private Limited Foreign Companies: NIL

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			Mr. Purandare is an Independent Director on the Boards of three large companies. **Qualifications and affiliations** • Fellow, Institute of Chartered Accountants of India • Bachelor of Science (Hons), University of Bombay • YPO Presidents Program at Harvard Business School • Central Direct Taxes Advisory Committee (chaired by the Finance Minister) - former member • ITSG International Network - steering committee member • City of London Advisory Council for India - member • YPO Gold – member, former Regional Networks Chair, Finance Chair • Confederation of Indian Industry (CII) - member, former National Council member and Chairman, Taxation Committee	
6	Mr. S. Ramadorai	Independent Director	Experience: Mr. S. Ramadorai was in public service from February 2011 to October 2016. During his tenure as the Chairman of the National Skill Development Agency (NSDA) and the National Skill Development Corporation (NSDC) his approach was to standardize the skilling effort, ensure quality and commonality of outcomes by leveraging technology and create an inclusive environment to co-operate, collaborate & co-exist. He strongly believed that empowering the youth with the right skills can define the future of the country.	Indian Companies: • Tata Technologies Limited • Piramal Enterprises Limited • DSP Investment Managers Pvt. Ltd. • Tata Institute of Social Sciences • Centre for Asian Philanthropy India • British Asian India Foundation • Institute for Policy Research Studies • Breach Candy Hospital Trust Foreign Companies: • Cartica Acquisition Corp

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			Mr. Ramadorai is currently the Chairman of the Advisory Board at Tata STRIVE, which is the Tata Group's CSR skill development initiative that aims to address the pressing national need of skilling youth for employment, entrepreneurship and community enterprise. He is also the Chairman of Tata Technologies Limited and additionally serves as an Independent Director on the Boards of Piramal Enterprises Limited, Piramal Pharma Limited and DSP Investment Managers. In March 2016, he retired as the Chairman of the Bombay Stock Exchange (BSE Limited) after having served on their board for a period of 6 years. Mr. Ramadorai took over as the CEO of Tata Consultancy Services (TCS) in 1996 when the company's revenues were at $ 155 million and since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he retired as the CEO, leaving a $ 6 billion global IT services company to his successor. He was then appointed as the Vice Chairman and retired in October 2014, after an association of over 4 decades with Piramal Enterprises Limited. Given his keen passion to work for the social sector and community initiatives, he also serves as the Chairman on the Council of Management at the National Institute of Advanced Studies (NIAS) and is the Chairperson of the Governing Board at the Tata Institute of Social Sciences (TISS).	

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			He is also the President of the Society for Rehabilitation of Crippled Children (SRCC) – which has recently built a super specialty children's hospital in Mumbai. In February 2020, Mr. Ramadorai was also appointed as the Chairperson of the Kalakshetra Foundation's Governing Board by the Union Ministry of Culture. In recognition of his commitment and dedication to the IT industry he was awarded the Padma Bhushan (India's third highest civilian honour) in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations. In 2016, he was also awarded The Economic Times - Lifetime Achievement Award for his glorious contribution to Tata Consultancy Services. Ramadorai is a well-recognized global leader and technocrat who has participated in the Indian IT journey from a mere idea in 1960's to a mature industry today. Ramadorai captured this exciting journey in a wonderfully personalized book titled 'The TCS Story...and beyond' which was published in 2011 and remained on top of the charts for several months. Among his many interests, Ramadorai is also passionate about photography and Indian classical music.	

PIRAMAL PHARMA LIMITED

			Qualification: • Bachelor's degree in Physics from Delhi University (India), • Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bengaluru (India) • Master's degree in Computer Science from the University of California – UCLA (USA). • In 1993, Ramadorai attended the Sloan School of Management's highly acclaimed Senior Executive Development Program.	
7	Mr. Sridhar Gorthi	Independent Director	Experience: A founding partner of Trilegal, Mr. Sridhar Gorthi serves on the firm's management committee. He is a part of the corporate practice group, and is considered a leading authority on corporate law, M&A and private equity in the country. Mr. Gorthi has been actively involved in several high-profile cross-border and domestic transactions. His experience spans an array of sectors, including manufacturing, pharmaceuticals, insurance, banking and financial services, technology, telecom and media. He has represented international clients on inbound M&A in India as well as Indian companies on outbound M&A transactions in diverse jurisdictions such as the UK, the USA, South Africa and Indonesia. In the last decade, Mr. Gorthi has worked on some of the biggest and marquee M&A transactions in India. Qualification: • Bachelor of Law from National Law School, Bengaluru • Member of the Bar Council of Maharashtra and Goa	Indian Companies: • Glenmark Pharmaceuticals Limited • Hathaway Cable and Datacom Limited • Glenmark Life Sciences Limited Foreign Companies: NIL

PIRAMAL PHARMA LIMITED

8	Mr. Peter Stevenson	Independent Director	Experience: Mr. Stevenson retired from Pfizer in 2019 where he held leadership positions in manufacturing and business operations. He was a member of the Pfizer's Global Manufacturing Leadership Team and has strong operational experience leading complex manufacturing operations including worldwide external supply, 11 internal production sites in the US mainland, Puerto Rico, Europe and Asia, and global procurement. Mr. Stevenson was general manager of Pfizer CentreOne which is Pfizer's Contract Manufacturing Business serving both "big" pharma customers and biotech startups. He also led the Global Injectables and Hospital Product Value Stream for Established Products and the Generics Value Stream at Pfizer. Earlier in his career, Mr. Stevenson held positions of increasing responsibility in manufacturing and business at Rhone Poulenc and Celanese including a 3 year expatriate assignment in France. Mr. Stevenson is currently Board Vice Chair for United to Combat Neglected Tropical Diseases and Chair of the Governance Committee. Qualification: • Bachelor of Arts	Indian Companies: NIL Foreign Companies: NIL
9	Ms. Nathalie Leitch	Non-Executive Director	Experience: Nathalie has more than 20 years of progressive experience in the North American generic and branded pharmaceuticals markets. She has held senior positions with some of the	Indian Companies: NIL Foreign Companies: NIL

PIRAMAL PHARMA LIMITED

			leading players competing in the generic retail and institutional markets including Baxter, Allergan (Actavis), Teva and Fresenius Kabi. For much of her career, Nathalie has had roles focused on driving business growth through expansion of product portfolios, development of strategic partnerships, and M&A. Through these various roles, Nathalie has gained a deep knowledge of US generic market dynamics, the companies competing in the space and of retail and institutional customers. Most recently, Nathalie worked for Fresenius Kabi, a leading global supplier of sterile injectable medications. In her role as Senior Vice President, Portfolio and Strategic Marketing for the North American region, Nathalie oversaw significant growth in the sterile injectables product pipeline and led deal teams in the evaluation of several M&A opportunities in the injectables market space. Qualification: • Bachelor of Science in Human Biology from the University of Toronto, Canada; Master of Business Administration in finance from Queen's University, Canada.	

OBJECTS OF THE ISSUE

Details of means of finance – Not Applicable

The find requirements for each of the objects of the Issue are stated as follows: (Rs. in crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20	Fiscal 20
Not Applicable						

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years. – Not Applicable

Name of monitoring agency, if any - Not Applicable

Terms of Issuance of Convertible Security, if any

Convertible securities being offered by the Company	**Not Applicable**
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible	
Conversion Price for Convertible	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

Rationale of the Scheme:

(A) The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of the PEL).

(B) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under the Company, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PHL Fininvest Private Limited ('PFPL') under PEL post the merger of PFPL with PEL) and indirectly (including through subsidiaries and associate companies).

(C) The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of the Company pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

(D) In order to comprehensively restructure and streamline the pharmaceutical business in India under the Company, it is also proposed to merge Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited, being wholly owned subsidiaries of the Company engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by the Company directly and through its Indian subsidiaries to be consolidated with the Company, which is also expected to enable faster decision making. Allergan India Private Limited, an associate of the Company, will, however, continue to operate independently in the specialty pharmaceutical sector.

PIRAMAL PHARMA LIMITED

(E) In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single non-banking financial company ("NBFC") entity which is regulated by the Reserve Bank of India ("RBI"), (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

(F) In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the Hon'ble National Company Law Tribunal and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

(G) In furtherance of the aforesaid, this Scheme provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking (as described in the Scheme) of the Demerged Company to the Company, the consequent issue of equity shares by the Company to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) ("**Demerger**"). Pursuant to the Demerger, the equity shares of the Company, forming part of the Demerged Undertaking shall stand cancelled;

(ii) the amalgamation of CCPL ("**Amalgamating Pharma Company 1**") and HPPL ("**Amalgamating Pharma Company 2**"), both being wholly owned subsidiaries of the Company ("**Amalgamated Pharma Company**"), into the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

(iii) the amalgamation of PFPL ("**Amalgamating FS Company**"), a wholly owned subsidiary of PEL ("**Amalgamated FS Company**"), into the Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

(iv) various other matters consequential or integrally connected therewith;

pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular (*as defined in the Scheme*) and the IT Act (*as defined in the Scheme*), including Sections 2(1B) and 2(19AA) thereof.

(H) Following the FS Amalgamation, PEL will become an NBFC and is proposed to obtain a certificate of registration/license to operate as an NBFC from the RBI and PFPL will surrender its certificate of registration/license to the RBI.

PIRAMAL PHARMA LIMITED

Shareholding Pattern:

Sr. No.	Particulars	Post Issue number of shares	% Holding of Post issue
1.	Promoter and Promoter Group	41,53,32,976	34.80
2.	Public	77,30,32,180	64.78
3.	Non-promoter non-public holding	49,53,344	0.42
	Total	119,33,18,500	100.00

Note: This is the shareholding pattern of the Company, post approval of the Scheme by the NCLT

Number/amount of equity shares proposed to be sold by selling shareholders, if any – Not Applicable

CONSOLIDATED AUDITED FINANCIALS

(Rs. In Crores)

	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021*
Total income from operations (Net) (Refer Note1)	6,559.10	6314.90
Net Profit/(Loss) before tax and extraordinary items (Refer note 2)	500.06	930.82
Net Profit / (Loss) after tax and extraordinary items (Refer note 2)	375.96	835.03
Equity Share Capital	1,185.91	994.60
Reserves and Surplus (Refer note 3)	5,104.03	4,203.65
Net worth (Refer note 4)	6,289.94	5,198.25
Basic earnings per share (Rs.) (Refer note 5)	3.19	13.36
Diluted earnings per share (Rs.) (Refer note 5)	3.19	13.36
Return on net worth (%) (Refer note 6)	5.98%	16.06%
Net asset value per share (Rs.) (Refer note 7)	53.04	52.26

* March 4, 2020 being the date of incorporation, the first year financials of the Company, is for the period March 4, 2020 to March 31, 2021.

Notes:

1. Total income from operations (net) represents sale of products and services and other operating revenues
2. The profit is post considering share of profit of associates and joint venture
3. Reserves and Surplus do not include capital reserve
4. Net worth is as per the definition of net worth as given under Section 2(57) of the Act. The definition is reproduced as below:
   "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
5. Earning per share (EPS) is on the profits post exceptional items and tax and computed in accordance with Ind AS 33.EPS for previous period has been restated on account of issuance of bonus shares and preference shares issued in current year.
6. Return on net worth = Net profit after tax / Net worth
7. Net asset value per share = Net worth/Outstanding number of shares

PIRAMAL PHARMA LIMITED

INTERNAL RISK FACTORS

The below mentioned risks are top 5 or 10 risk factors as per the Abridged prospectus

1. Business Strategy Risk

We rely on regulated and unregulated market for revenue. Lack of strategy roadmap for revenue growth of the site may lead to non-achievement of growth objectives. Also, dependence of existing customer base for new business could result in restricted growth. Growth restriction and complete dependency on existing customers and existing set of products.

2. Compliance Risk

Any non-compliance with the regulatory and environment laws of land may lead to penalties and fines.

3. IT Risk

We rely on information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure could impair our ability to effectively deliver our products and services. Inability of the Company to suitably upgrade its IT infrastructure may impair its ability to efficiently manage its business and deliver accurate information to various internal and external stakeholders. Further, any cyber-attack on our systems & firewall failure could cause inability to function and transact.

4. External Factors

Risk of customer attrition significantly high because of high gestation period in product development and launch. Financial health of customer ie. Solvency of customer, Funding issues, M&A may exert significant adverse impact on services rendered impacting revenue & EBIDTAs and the Profit & Loss statement, overall.

5. Supply Chain Management

Due to COVID there are many restrictions on international routes & hence sourcing of raw materials and export of goods to multiple geographies becomes challenging and newer and longer routes need to be taken which make transportation cost costly. These factors also create risk of overstocking/building of inventories and working capital blockages.

6. Insurance Risk

Insurance company inability to provide cover for products sold by us could lead to financial and reputation damage to the organisation.

7. Operational Risk

Out dated equipment and facilities, unexpected plant shut down may lead to higher maintenance cost on fixed assets and affect business efficiency.

8. Human Resource

Inability to attract and retain qualified personnel while appropriately managing costs related to employee benefits may expose Company to manpower and costs related risks.

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9. Forex – Currency

The Company is exposed to risks arising out of changes in foreign exchange rates. It has significant revenues in foreign currencies through exports and foreign operations. Foreign currency exposure, if not managed well can result in financial losses.

10. Quality of goods sold

The Company is expected to maintain global quality standards in its manufacturing operations. It is also subjected to regular audits by regulators and customers. Any non-adherence to approved quality practices and procedures may expose it to adverse consequences.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs. in crores)
Company						
By the Company	0	0	0	0	0	0
Against the Company	0	20	0	0	2	61.95
Directors[*1]						
By our Directors	0	0	0	0	0	0
Against the Directors	0	0	0	0	0	0
Promoters[*1]						
By Promoters	0	0	0	0	0	0
Against Promoters	0	0	0	0	0	0
Subsidiaries						
By Subsidiaries	0	5	0	0	2	16.42
Against Subsidiaries	0	0	0	0	0	0

B. Brief details of top 5 material outstanding litigations against the company and amount involved

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved (Rs. in crores)
1	Vide show cause notice dated 28.09.2020 the Company was directed to contribute to the Corpus Fund in the name of "Patancheru and Bollaram Environment Relief Fund". The Company approached the Telangana High Court on ground that the Company is not required to contribute to the Corpus Fund since the Company is not situated in Patancheru and Bollaram Industrial Area. The High Court disposed of the matter directing the company to approach the NGT for clarification. The Company now has approached the Supreme Court against the HC order for relief in the matter.	Company	Pending hearing	28.83
2	Demand for non-payment of service tax for the period from April 2013 to May 2015 under RCM	Company	Pending Hearing	9.49

PIRAMAL PHARMA LIMITED

3	In O.A. No. 688/2018 K. Lakshma Reddy V/s M/s Siddi Vinayak Oil Mill & Ors, National Green Tribunal (NGT) vide judgement dated 13.11.2019 imposed environmental compensation on the Company. The appeal filed by the company before NGT (Southern bench) was allowed in part. The Company had filed an SLP in the Supreme Court (SC) against the NGT Order, which was disposed. The Company has now filed a review petition before the SC which is pending			8.32
4	Non-Inclusion of SAD element to aggregate of Customs duties while calculating the duty payable on Stock Transfer during July 08, 2009 to March 13, 2013	Company	Pending Hearing	7.54
5	Wrong availment of Service Tax Credit on Scientific & Technical Consultancy Services provided by PPDSPL - Ahmedabad and equal penalty	Company	Pending Hearing	1.88

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 - 300 word limit in total):

SEBI had issued an Order dated October 3, 2016 with respect to PEL, Mr. Ajay G. Piramal, and other persons imposing an aggregate penalty of ₹ 6,00,000 (Rupees Six Lakhs only) in respect of certain technical non-compliances with the Model Code of Conduct prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992. On appeal the SEBI Order was quashed by the Securities Appellate Tribunal vide its order dated May 15, 2019. This matter is currently closed.

D. Brief details of outstanding criminal proceedings against Promoters (200 - 300-word limit in total): NIL[*1]

[*1]Only proceedings which are pertaining to the business of the Company have been considered.

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY
NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For Piramal Pharma Limited

PIRAMAL PHARMA LIMITED

Tanya Sanish

Company Secretary

Place: Mumbai

Date: May 26, 2022

This is an abridged prospectus containing information pertaining to Convergence Chemicals Private Limited ("**CCPL**" or "**Company**") in relation to the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 before the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") amongst Piramal Enterprises Limited ("**PEL**") and Piramal Pharma Limited ("**PPL**") and Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited ("**HPPL**") and PHL Fininvest Private Limited ("**PFPL**") and their respective Shareholders and Creditors ("**Scheme**").
THIS ABRIDGED PROSPECTUS CONSISTS '13' PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

CONVERGENCE CHEMICALS PRIVATE LIMITED

CIN: U24100MH2014PTC373507, Date of Incorporation: November 19, 2014

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla West Mumbai – 400070, Maharashtra	Same as registered office	Ms. Akshita Jain	Email: corporate.secretarial@piramal.com Telephone: (91 22) 3802 3000/4000	Not Applicable

NAMES OF PROMOTER(S) OF THE COMPANY

PIRAMAL PHARMA LIMITED*

*PPL is the Promoter of the Company as on the date of this Abridged Prospectus. Upon coming into effect of the Scheme, the Company would cease to exist as it would be merged with and into PPL.

Details of Offer to Public

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable							

These equity shares are proposed to be listed on (to be specified) (designated stock exchange) and (to be specified) – **Not Applicable.**

Operation of the Scheme:

The Scheme, inter alia, provides for the following:

i. the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of PEL to PPL, the consequent issue of equity shares by PPL to the shareholders of PEL in accordance with the Share Entitlement Ratio (as defined in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking of PEL shall stand cancelled and extinguished;

Convergence Chemicals Private Limited

ii. the amalgamation of CCPL and HPPL, both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder (**"Pharma Amalgamations"**);

iii. the amalgamation of PFPL, a wholly owned subsidiary of PEL, into PEL and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by PEL and joint shareholders (**"FS Amalgamation"**); and

iv. various other matters consequential or integrally connected therewith.

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from PEL to PPL in terms of the Scheme, PPL shall issue and allot 95,46,54,800 equity shares to the shareholders of PEL as on the Demerger Record Date (as defined in the Scheme), in accordance with the Registered Valuer's Report, in the following manner:

"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL."

OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders *(upto a maximum of 10 selling shareholders)*

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band*	Not Applicable
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

*For details of *price band* and *basis of offer price,* please refer to price band advertisement and page xx of RHP.

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

Convergence Chemicals Private Limited

RISKS IN RELATION TO THE FIRST OFFER
The face value of the Equity Shares is x. The Floor Price, Cap Price and Offer Price determined by our Company and the Selling Shareholders, in consultation with the BRLM's, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under *"Basis for Offer Price"* on page xx should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing. – **Not Applicable**

GENERAL RISKS
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Abridged Prospectus. - **Not applicable, as the Company would be merged with and into PPL.** Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 12 of this Abridged Prospectus.

LISTING
Not Applicable

PROCEDURE
You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participant s, stock brokers, underwriters, bankers to the issue, investors' associations or Self Certified Syndicate Banks. If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM's or download it from the websites of the Stock Exchanges i.e. www.nseindia.com;www.bseindia.com; and the BRLMs (websites to be specified). – **Not Applicable**

PRICE INFORMATION OF BRLM's*				
Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
		+ 1% (+5%)	-2% (-5%)	
Not Applicable				

* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Name of BRLM and contact details (telephone and email id) of each BRLM	**Not Applicable**
Name of Syndicate Members	**Not Applicable**

Convergence Chemicals Private Limited

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included - **Not Applicable**

Name of Registrar to the Issue and contact details (telephone and email id)	**Not Applicable**
Name of Statutory Auditor	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture trustee, if any.	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrat to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	

PROMOTERS OF THE ISSUER COMPANY			
Sr. No.	**Name**	**Individual/Corporate**	**Experience & Educational Qualification**
1.	Piramal Pharma Limited	Corporate	**Experience:** Piramal Pharma Limited is a public limited company which was incorporated on March 4, 2020 and is registered with the Registrar of Companies, Mumbai, Maharashtra under the Companies Act, 2013. Its Corporate Identification Number (CIN) is U24297MH2020PLC338592 and its registered office is situated at Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla, Mumbai – 400 070, Maharashtra. **Educational Qualification: Not Applicable**

Details of promoter/s should not exceed 500 words while explaining their experience and educational qualifications

Convergence Chemicals Private Limited

BUSINESS OVERVIEW AND STRATEGY

Company Overview:

The Company was incorporated on November 19, 2014 under the Companies Act, 1956. The Company is a wholly owned subsidiary of PPL.

The Company is primarily engaged in manufacturing of speciality Fluorochemicals.

Product/Service Offering:

Manufacturing and Sale of speciality fluorochemicals.

Revenue segmentation by product/service offering:

Manufacturing and Sale of speciality fluorochemicals is the only reportable segment.

Geographies Served: 2

Revenue segmentation by geographies:

(A.) Within India- Rs. 160.26 Lakhs,

(B.) USA - Rs. 11,906.79 Lakhs

Additionally, other operating income and other income were amounting to Rs.317.34 Lakhs and Rs. 259.72 Lakhs, respectively.

Key Performance Indicators:

The Company does not publish any key performance indicators other than financial information as stated in its audited financial statements.

Client Profile or Industries Served: Not Applicable

Revenue segmentation in terms of top 5/10 clients or Industries: Not Applicable

Intellectual Property, if any: The Company does not have any registered Intellectual Property Rights

Market Share: Not Applicable

Manufacturing plant, if any: Plot No.D-2/11/A1 GIDC, Phase II, Dahej, Tal Vagra, Gujarat – 392130

Employee Strength: 78

Note: (1) The quantitative statements shall be substantiated with Key Performance Indicators (KPIs) and other quantitative factors.

(2) No qualitative statements shall be made which cannot be substantiated with KPIs.

(3) Information provided in the table should not exceed 1000 words

Convergence Chemicals Private Limited

BOARD OF DIRECTORS				
Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience & Educational Qualification	Other Directorships
1	Mr. Vivek Valsaraj	Non-Executive Director	Experience: Mr. Vivek Valsaraj is the President – Finance and Chief Financial Officer ("**CFO**") of PPL. He is also the CFO of Piramal Enterprises Limited. A qualified CMA with over two decades of experience in the field of Finance, he currently oversees the Finance & Shared Services functions of the Company. Mr. Valsaraj has been associated with the Piramal Group for over 21 years, and has previously served various roles across Corporate, the erstwhile Domestic Formulations business as well as CFO of the Pharma business. Over the past few years, he has actively participated in key acquisitions and divestments, and has also been responsible for executing systems and processes and internal controls that ensure financial discipline. Prior to joining Piramal Group, Mr. Valsaraj has worked with companies such as Wockhardt Ltd. and Bharat Bijlee Ltd. His extensive experience pans across functions such as Corporate Finance, Business Strategy, Mergers and Acquisitions, Corporate Structuring, Corporate Governance and Taxation Qualification: Cost and Management Accountant	Indian Companies: • Piramal Pharma Limited • Allergan India Private Limited Foreign Companies: • Piramal Healthcare UK Limited • Piramal Critical Care Inc. • Piramal Healthcare (Canada) Limited • Piramal Holdings (Suisse) SA • Ash Stevens LLC

Convergence Chemicals Private Limited

2	Mr. Surinder Gulati	Non-Executive Director	Experience: As the Executive Vice President of Manufacturing at Piramal Pharma Solutions, Mr. Surinder Gulati is responsible for manufacturing and R&D operations for India API sites including Discovery Services along with heading Capital Projects, Engineering & Operational Excellence functions globally. Before his current assignment at PPS, Mr. Gulati played a vital role in setting up the right foundation and growing the Critical Care business at Piramal. A graduate in Chemical Engineering, Mr. Gulati has more than 25 years of varied experience in API and the pharmaceuticals industry involving plant operations, manufacturing, process engineering, projects, and operational excellence. Surinder led the establishment of several green and brownfield projects and was involved in revamping and upgrading facilities across geographies to meet global quality and regulatory requirements. Prior to joining Piramal, Mr. Gulati worked with Matrix Labs, (now Viatris), and Watson (now Teva). Qualification: • Bachelor in Chemical Engineering	Indian Companies: • Hemmo Pharmaceuticals Private Limited Foreign Companies: NIL

Convergence Chemicals Private Limited

OBJECTS OF THE ISSUE

Details of means of finance – Not Applicable

The find requirements for each of the objects of the Issue are stated as follows: (Rs. in crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20	Fiscal 20
Not Applicable						

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years. – Not Applicable

Name of monitoring agency, if any – Not Applicable

Terms of Issuance of Convertible Security, if any

Convertible securities being offered by the Company	**Not Applicable**
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible	
Conversion Price for Convertible	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

Rationale of the Scheme:

(A) The businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of PEL).

(B) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL, and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL with PEL) and indirectly (including through subsidiaries and associate companies).

Convergence Chemicals Private Limited

(C) The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of the PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

(D) In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge the Company and HPPL, being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

(E) In addition to the above, to restructure the financial services business, it is proposed to merge PFPL with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PFPL, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and PFPL in PEL and streamlining of the group structure in a manner that results in the creation of a single non-banking financial company ("**NBFC**") entity which is regulated by the Reserve Bank of India ("**RBI**"), (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

(F) In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the Hon'ble National Company Law Tribunal and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

(G) In furtherance of the aforesaid, this Scheme provides for the following:

i. the transfer by way of a demerger of the Demerged Undertaking (as described in the Scheme) of PEL ("**Demerged Company**") to PPL ("**Amalgamated Pharma Company**"), the consequent issue of equity shares by PPL to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking shall stand cancelled;

ii. the amalgamation of CCPL ("**Amalgamating Pharma Company 1**") and HPPL ("**Amalgamating Pharma Company 2**"), both being wholly owned subsidiaries of Amalgamated Pharma Company, into the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

iii. the amalgamation of PFPL ("**Amalgamating FS Company**"), a wholly owned subsidiary of PEL ("**Amalgamated FS Company**"), into the Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

iv. various other matters consequential or integrally connected therewith;

Convergence Chemicals Private Limited

pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular (*as defined in the Scheme*) and the IT Act (*as defined in the Scheme*), including Sections 2(1B) and 2(19AA) thereof.

(H) Following the FS Amalgamation, PEL will become an NBFC and is proposed to obtain a certificate of registration/license to operate as an NBFC from the RBI and PFPL will surrender its certificate of registration/license to the RBI.

Shareholding Pattern:

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter and Promoter Group	7,00,10,000	100.00%
2.	Public	0	0
	Total	7,00,10,000	100.00%

Number/amount of equity shares proposed to be sold by selling shareholders, if any. – Not Applicable

Convergence Chemicals Private Limited

AUDITED FINANCIALS **(Rs. in Lakhs)**

	Latest Stub period	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Total income from operations (Net)	Not Applicable	12,384.39	11,944.59	10,712.77
Net Profit/(Loss) before tax and extraordinary items		2,467.09	2,851.46	2,111.03
Net Profit / (Loss) after tax and extraordinary items		1,867.68	2,087.81	1,475.52
Equity Share Capital		7,001.00	7,001.00	7,001.00
Reserves and Surplus		5,019.20	3,166.62	1,081.52
Net worth		12,020.20	10,167.62	8,082.52
Basic earnings per share (Rs.)		2.67	2.98	2.11
Diluted earnings per share (Rs.)		2.67	2.98	2.11
Return on net worth (%)		15.54%	20.53%	18.26%
Net asset value per share (Rs.)		17.17	14.52	11.54

Notes:

i. Total income from operations (net) represents sale of products and services and other operating revenues.

ii. Reserves and Surplus do not include capital reserve.

iii. Net worth is as per the definition of net worth as given under Section 2(57) of the Act. The definition is reproduced as below:
"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

iv. Earning per share (EPS) is on the profits post exceptional items and tax and computed in accordance with Ind AS 33.

v. Return on net worth = Net profit after tax / Net worth

vi. Net asset value per share = Net worth/Outstanding number of shares

Convergence Chemicals Private Limited

INTERNAL RISK FACTORS

The below mentioned risks are top 5 or 10 risk factors as per the Abridged Prospectus.

1. **Business Strategy Risk**

   Our dependence on one single product and customer could lead to restricted growth.

2. **Foreign Exchange Risk**

   All our sales are in US dollars and open to currency fluctuations.

3. **Compliance Risk**

   Any non-compliance with the regulatory and environment laws of land may lead to penalties and fines.

4. **Operational Risk**

   Unexpected plant shut down and break-downs due to usage/ generation of highly corrosive materials may lead to higher maintenance cost on fixed assets.

5. **Human Resource**

   Inability to retain and attract qualified personnel while appropriately managing costs related to employee benefits may expose the Company to manpower and costs related risks.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved

<table>
<tr><th>Name of Entity</th><th>Criminal Proceedings</th><th>Tax Proceedings</th><th>Statutory or Regulatory Proceedings</th><th>Disciplinary actions by the SEBI or Stock Exchanges against our</th><th>Material Civil Litigations</th><th>Aggregate amount involved (Rs in crores)</th></tr>
<tr><td>Company</td><td colspan="6" rowspan="12">NIL</td></tr>
<tr><td>By the Company</td></tr>
<tr><td>Against the Company</td></tr>
<tr><td>Directors</td></tr>
<tr><td>By our Directors</td></tr>
<tr><td>Against the Directors</td></tr>
<tr><td>Promoters</td></tr>
<tr><td>By Promoters</td></tr>
<tr><td>Against Promoters</td></tr>
<tr><td>Subsidiaries</td></tr>
<tr><td>By Subsidiaries</td></tr>
<tr><td>Against Subsidiaries</td></tr>
</table>

Convergence Chemicals Private Limited

B. Brief details of top 5 material outstanding litigations against the company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
		NIL		

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 - 300 word limit in total) - **NIL**

D. Brief details of outstanding criminal proceedings against Promoters (200 - 300-word limit in total): **NIL**

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY
NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For Convergence Chemicals Private Limited

Akshita Jain

Company Secretary

Place: Mumbai

Date: May 26, 2022

This is an abridged prospectus containing information pertaining to Hemmo Pharmaceuticals Private Limited ("**HPPL or "Company")**" in relation to the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 before the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") amongst Piramal Enterprises Limited ("**PEL**") and Piramal Pharma Limited ("**PPL**") and Convergence Chemicals Private Limited ("**CCPL**") and Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited ("**PFPL**") and their respective Shareholders and Creditors ("**Scheme**").

THIS ABRIDGED PROSPECTUS CONSISTS '15' PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

HEMMO PHARMACEUTICALS PRIVATE LIMITED

CIN: U17100MH1979PTC021857, Date of Incorporation: November 7, 1979

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
114, Turf Estate, 3/65, Off Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011, Maharashtra	Same as registered office	Mr. Amit Bapat	Email: corporate.secretarial@piramal.com Telephone: (91 22) 3802 3000/4000	Not Applicable

NAMES OF PROMOTER(S) OF THE COMPANY

PIRAMAL PHARMA LIMITED*

* PPL is the Promoter of the Company as on the date of this Abridged Prospectus. Upon coming into effect of the Scheme, the Company would cease to exist as it would be merged with and into PPL.

Details of Offer to Public

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable							

These equity shares are proposed to be listed on (to be specified) (designated stock exchange) and (to be specified). – **Not Applicable**

Operation of the Scheme:

The Scheme, inter alia, provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of PEL to PPL, the consequent issue of equity shares by PPL to the shareholders of PEL in accordance with the Share Entitlement Ratio (as defined in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking of PEL shall stand cancelled and extinguished;

Hemmo Pharmaceuticals Private Limited

(ii) the amalgamation of CCPL and HPPL, both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder ("**Pharma Amalgamations**");

(iii) the amalgamation of PFPL, a wholly owned subsidiary of PEL, into PEL and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by PEL and joint shareholders ("**FS Amalgamation**"); and

(iv) various other matters consequential or integrally connected therewith.

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from PEL to PPL in terms of the Scheme, PPL shall issue and allot 95,46,54,800 equity shares to the shareholders of PEL as on the Demerger Record Date (as defined in the Scheme), in accordance with the Registered Valuer's Report, in the following manner:

"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL."

OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders *(upto a maximum of 10 selling shareholders)*

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band*	**Not Applicable**
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

*For details of *price band* and *basis of offer price,* please refer to price band advertisement and page xx of RHP.

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	**Not Applicable**		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

Hemmo Pharmaceuticals Private Limited

RISKS IN RELATION TO THE FIRST OFFER
The face value of the Equity Shares is x. The Floor Price, Cap Price and Offer Price determined by our Company and the Selling Shareholders, in consultation with the BRLM's, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under *"Basis for Offer Price"* on page xx should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing. – **Not Applicable**

GENERAL RISKS
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Abridged Prospectus. **- Not applicable, as the Company would be merged with and into PPL.** Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 14 of this Abridged Prospectus.

LISTING
Not Applicable

PROCEDURE
You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participant s, stock brokers, underwriters, bankers to the issue, investors' associations or Self Certified Syndicate Banks. If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM's or download it from the websites of the Stock Exchanges i.e. www.nseindia.com;www.bseindia.com; and the BRLMs (websites to be specified). – **Not Applicable**

PRICE INFORMATION OF BRLM's*				
Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
		+ 1% (+5%)	-2% (-5%)	
Not Applicable				

* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Hemmo Pharmaceuticals Private Limited

Name of BRLM and contact details (telephone and email id) of each BRLM	**Not Applicable**
Name of Syndicate Members	**Not Applicable**

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included - **Not Applicable**

Name of Registrar to the Issue and contact details (telephone and email id)	**Not Applicable**
Name of Statutory Auditor	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture trustee, if any.	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrat to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	

PROMOTERS OF THE ISSUER COMPANY

Sr. No.	Name	Individual/Corporate	Experience & Educational Qualification
1.	Piramal Pharma Limited	Corporate	**Experience:** Piramal Pharma Limited is a public limited company which was incorporated on March 4, 2020 and is registered with the Registrar of Companies, Mumbai, Maharashtra under the Companies Act, 2013. Its Corporate Identification Number (CIN) is U24297MH2020PLC338592 and its registered office is situated at Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla, Mumbai – 400 070, Maharashtra.

Details of promoter/s should not exceed 500 words while explaining their experience and educational qualifications

Hemmo Pharmaceuticals Private Limited

BUSINESS OVERVIEW AND STRATEGY
Company Overview: The Company was incorporated on November 7, 1979 under the Companies Act, 1956. The Company is a wholly owned subsidiary of PPL. The Company is primarily engaged in the business of (i) manufacturing of Peptide Active Pharmaceutical Products ("API") and Peptide API - like molecules and marketing of these to pharmaceutical, research and veterinary organizations in both domestic and global markets (ii) offering contract manufacturing services to innovator customers including biotechs for development and manufacturing of peptide API.
Product/Service Offering: The Company is engaged in the manufacturing of peptides, which is the only reportable business segment. **Revenue segmentation by product/service offering**: Manufacturing of peptides is the only reportable business segment.
Geographies Served: Not Applicable **Revenue segmentation by geographies** Not Applicable
Key Performance Indicators: The Company does not publish any key performance indicators other than financial information as stated in its audited financial statements
Client Profile or Industries Served: **Not Applicable** **Revenue segmentation in terms of top 5/10 clients or Industries:** **Not Applicable**
Intellectual Property, if any: The Company does not have any registered Intellectual Property Rights

Hemmo Pharmaceuticals Private Limited

Market Share: Not applicable
Manufacturing plant, if any: 1. Plot No C-43, TTC Industrial Area, MIDC, Off Thane Belapur Road, Navi Mumbai - 400 613 2. 159 - A, Wagle Estate, 25th Road, MIDC, Thane - 400 604
Employee Strength: 306 employees

Note: (1) The quantitative statements shall be substantiated with Key Performance Indicators (KPIs) and other quantitative factors.

(2) No qualitative statements shall be made which cannot be substantiated with KPIs.

(3) Information provided in the table should not exceed 1000 words

BOARD OF DIRECTORS				
Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience & Educational Qualification	Other Directorships
1.	Ms. Madhu Vikram Utamsingh	Non-Executive Director	Experience: Madhu Vikram Utamsingh is currently a Director of Hemmo Pharmaceuticals Pvt Ltd where she oversees the entire Peptide Operation during it's transition post acquisition by Piramal Pharma Ltd. Prior to this, Madhu was Chairperson and Managing Director at Hemmo Pharmaceuticals Pvt Ltd where she was responsible for the company's overall business and performance and in addition, led the Business Development function. Madhu has over 3 decades of experience in the specialty of peptides and has deep understanding of the sector which is a niche sector and there are limited professionals that come with this breadth of experience in the sector. Qualification: • Bachelor of Pharmacy	Indian Companies: • Elemar Lifesciences Private Limited Foreign Companies: NIL

Hemmo Pharmaceuticals Private Limited

2	Mr. Surinder Gulati	Non-Executive Director	Experience: As the Executive Vice President of Manufacturing at Piramal Pharma Solutions, Mr. Surinder Gulati is responsible for manufacturing and R&D operations for India API sites including Discovery Services along with heading Capital Projects, Engineering & Operational Excellence functions globally. Before his current assignment at PPS, Mr. Gulati played a vital role in setting up the right foundation and growing the Critical Care business at Piramal. A graduate in Chemical Engineering, Mr. Gulati has more than 25 years of varied experience in API and the pharmaceuticals industry involving plant operations, manufacturing, process engineering, projects, and operational excellence. Surinder led the establishment of several green and brownfield projects and was involved in revamping and upgrading facilities across geographies to meet global quality and regulatory requirements. Prior to joining Piramal, Mr. Gulati worked with Matrix Labs, (now Viatris), and Watson (now Teva). Qualification: Bachelor in Chemical Engineering	Indian Companies: • Convergence Chemicals Private Limited Foreign Companies: NIL

Hemmo Pharmaceuticals Private Limited

3	Mr. Amit Bapat	Non-Executive Director	Experience: Mr. Amit Bapat is the Head of Finance for API India Operations at Piramal Enterprises Ltd. where he oversees various functions at the Group level including Business Finance, Project Management and Strategic initiatives for API India vertical including M&A. Prior to this, Mr. Bapat served at various positions with the Pharma Solutions Business as the Head of Finance for the Global API Vertical and Head of Finance for the Pharma India Vertical where he was closely involved in enhancement of collaboration amongst all stakeholders and the performance of various operating entities under Pharma Solutions Business. In addition, he was responsible for business strategy comprising growth plans and strategic initiatives including M&A in the Pharma Solutions Business. Mr. Bapat carries with him over 2 decades of extensive experience in Financial Audit, Due Diligence, mergers & acquisitions, corporate governance and taxation. Qualification: Chartered Accountant; CISA (Certified Information Systems Auditor), Certified Treasury Manager	Indian Companies: NIL Foreign Companies: NIL

Hemmo Pharmaceuticals Private Limited

OBJECTS OF THE ISSUE

Details of means of finance – Not Applicable

The find requirements for each of the objects of the Issue are stated as follows: (Rs. in crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20	Fiscal 20
Not Applicable						

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years. – Not Applicable

Name of monitoring agency, if any – Not Applicable

Terms of Issuance of Convertible Security, if any

Convertible securities being offered by the Company	**Not Applicable**
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible	
Conversion Price for Convertible	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

Rationale of the Scheme:

(A) The businesses presently undertaken by Piramal Enterprises Limited (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary of Piramal Enterprises Limited).

Hemmo Pharmaceuticals Private Limited

(B) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities; (ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under Piramal Pharma Limited, and Piramal Enterprises Limited continuing to focus primarily on the financial services business directly (with consolidation of the lending business across Piramal Enterprises Limited and PHL Fininvest Private Limited under Piramal Enterprises Limited post the merger of PHL Fininvest Private Limited with Piramal Enterprises Limited) and indirectly (including through subsidiaries and associate companies).

(C) The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of the Piramal Pharma Limited pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

(D) In order to comprehensively restructure and streamline the pharmaceutical business in India under Piramal Pharma Limited, it is also proposed to merge the Company and Convergence Chemicals Private Limited, being wholly owned subsidiaries of Piramal Pharma Limited engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by Piramal Pharma Limited directly and through its Indian subsidiaries to be consolidated with Piramal Pharma Limited, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of Piramal Pharma Limited, will, however, continue to operate independently in the specialty pharmaceutical sector.

(E) In addition to the above, to restructure the financial services business, it is proposed to merge PHL Fininvest Private Limited with Piramal Enterprises Limited. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of PHL Fininvest Private Limited, being a wholly owned subsidiary of Piramal Enterprises Limited, will enable the consolidation of the lending business across Piramal Enterprises Limited and PHL Fininvest Private Limited in Piramal Enterprises Limited and streamlining of the group structure in a manner that results in the creation of a single non-banking financial company ("**NBFC**") entity which is regulated by the Reserve Bank of India ("**RBI**"), (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

(F) In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the Hon'ble National Company Law Tribunal and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

(G) In furtherance of the aforesaid, this Scheme provides for the following:

i. the transfer by way of a demerger of the Demerged Undertaking (as described in the Scheme) of PEL ("**Demerged Company**") to PPL **("Amalgamated Pharma Company")**, the consequent issue of equity shares by PPL to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking shall stand cancelled;

Hemmo Pharmaceuticals Private Limited

ii. the amalgamation of CCPL (“**Amalgamating Pharma Company 1**”) and HPPL (“**Amalgamating Pharma Company 2**”), both being wholly owned subsidiaries of Amalgamated Pharma Company, into the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder (“**Pharma Amalgamations**”);

iii. the amalgamation of PFPL (“**Amalgamating FS Company**”), a wholly owned subsidiary of PEL (“**Amalgamated FS Company**”), into the Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders (“**FS Amalgamation**”); and

iv. various other matters consequential or integrally connected therewith;

pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular (*as defined in the Scheme*) and the IT Act (*as defined in the Scheme*), including Sections 2(1B) and 2(19AA) thereof.

(H) Following the FS Amalgamation, PEL will become an NBFC and is proposed to obtain a certificate of registration/license to operate as an NBFC from the RBI and PFPL will surrender its certificate of registration/license to the RBI.

Shareholding Pattern:

Sr. No.	**Particulars**	**Pre Issue number of shares**	**% Holding of Pre issue**
1.	Promoter and Promoter Group	29,075	100.00%
2.	Public	0	0
	Total	29,075	100.00%

Number/amount of equity shares proposed to be sold by selling shareholders, if any. – Not Applicable

Hemmo Pharmaceuticals Private Limited

AUDITED FINANCIALS

(Rs. in lakhs)

	Latest Stub period	For the year ended March 31, 2022 (as per IND AS)	For the year ended March 31, 2021 (as per IND AS)	For the year ended March 31, 2020 (as per IGAAP)
Total income from operations (Net)	Not Applicable	14,627.07	12,687.35	8,091.93
Net Profit/(Loss) before tax and extraordinary items		4,742.51	6,225.71	3,304.59
Net Profit / (Loss) after tax and extraordinary items		-2,155.11	4,726.30	2,540.50
Equity Share Capital		29.08	29.08	29.08
Reserves and Surplus		13,423.89	15,588.47	10,815.00
Net worth		13,452.96	15,617.54	10,844.07
Basic earnings per share (Rs.)		-7,412.25	16,255.55	8,737.75
Diluted earnings per share (Rs.)		-7,412.25	16,255.55	8,737.75
Return on net worth (%)		-16.02%	30.26%	23.43%
Net asset value per share (Rs.)		46,269.87	53,714.68	37,296.90

Hemmo Pharmaceuticals Private Limited

INTERNAL RISK FACTORS

The below mentioned risks are top 5 or 10 risk factors as per the Abridged Prospectus.

1. Product and quality risk
The Company operates in a niche pharma segment and is expected to maintain global quality standards in its manufacturing operations. It is also subjected to regular audits by regulators and customers. Any non-adherence to approved quality practices and procedures may expose it to adverse consequences.

2. Strategy
Any delay in commercialisation of product due to challenges including technological innovation, clinical trials, regulatory approvals, and feasibility would adversely affect the Company's performance and future growth.

3. Absence of long term contracts and product concentration risk
Long Term Contracts: Although the Company has stable long-term relationships with several customers, it lacks long term binding contracts with them. This may adversely impact its ability to effectively plan its business operations and achieve business targets.

Product Concentration: Decrease in sale of products with a significant share in revenue may lead to adverse profit margins.

4. Regulatory risk
The Company requires certain statutory and regulatory approvals for conducting businesses. Any failure to obtain, retain or renew them in a timely manner may adversely affect operations.

5. People
Inability to attract and retain qualified personnel while appropriately managing costs related to employee benefits may expose the Company to manpower and costs related risks.

6. Information Technology
Over last few years, Company's business has grown at a rapid pace. Inability of the Company to suitably upgrade its IT infrastructure may impair its ability to efficiently manage its business and deliver accurate information to various internal and external stakeholders.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the company and amount involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our P...	Material Civil Litigations	Aggregate amount involved (Rs in crores)
Company						
By the Company	0	4 cases	0	0	0	0.42
Against the Company	0	0	0	0	0	0
Directors						
By our Directors	0	0	0	0	0	0

Hemmo Pharmaceuticals Private Limited

Against the Directors	0	0	0	0	0	0
Promoters						
By Promoters	0	0	0	0	0	0
Against Promoters	0	0	0	0	0	0
Subsidiaries						
By Subsidiaries	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**
Against Subsidiaries	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**

B. Brief details of top 5 material outstanding litigations against the company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
NIL				

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 - 300 word limit in total) - **NIL**

D. Brief details of outstanding criminal proceedings against Promoters (200 - 300-word limit in total): NIL against Piramal Pharma Ltd for business of the Company - **NIL**

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY
NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

For Hemmo Pharmaceuticals Private Limited

Akshita Jain

Hemmo Pharmaceuticals Private Limited

Akshita Jain

Authorized Person

Place: Mumbai

Date: May 26, 2022

This is an abridged prospectus containing information pertaining to PHL Fininvest Private Limited ("**PFPL**" or "**Company**") in relation to the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 before the National Company Law Tribunal, Mumbai bench ("NCLT") amongst Piramal Enterprises Limited ("**PEL**") and Piramal Pharma Limited ("**PPL**") and Convergence Chemicals Private Limited ("**CCPL**") and Hemmo Pharmaceuticals Private Limited("**HPPL**") and PHL Fininvest Private Limited ("**PFPL**") and their respective Shareholders and Creditors ("**Scheme**")

THIS ABRIDGED PROSPECTUS CONSISTS '14' PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

PHL Fininvest Private Limited

CIN: U67120MH1994PTC078840, Date of Incorporation: 8th June, 1994

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
4th Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400013, Maharashtra	4th Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400013, Maharashtra	Bipin Singh	Email: corporate.secretarial@piramal.com Telephone:(91 22) 3802 3000/4000	www.phlfininvest.in

NAMES OF PROMOTER(S) OF THE COMPANY

PIRAMAL ENTERPRISES LIMITED*

***Piramal Enterprises Limited ("PEL")** is the Promoter of the Company as on the date of this Abridged Prospectus holding 100% of the equity shares in the Company along with its joint shareholders. Upon coming into effect of the Scheme, the Company would cease to exist as it would be merged with and into PEL.

Details of Offer to Public

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1)/ 6(2)	Share Reservation		
					QIB	NII	RII
Not Applicable							

Operation of the Scheme:

The Scheme, inter alia, provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking (as defined in the Scheme) of PEL to Piramal Pharma Limited ("**PPL**"), the consequent issue of equity shares by PPL to the shareholders of PEL in accordance with the Share Entitlement Ratio (as defined in the Scheme) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking of PEL shall stand cancelled and extinguished;

(ii) the amalgamation of Convergence Chemicals Private Limited ("**CCPL**") and Hemmo Pharmaceuticals Private Limited ("**HPPL**"), both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder ("**Pharma Amalgamations**");

PHL Fininvest Private Limited

(iii) the amalgamation of PFPL, a wholly owned subsidiary of PEL, into PEL and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by PEL and joint shareholders ("**FS Amalgamation**"); and

(iv) various other matters consequential or integrally connected therewith.

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from PEL to PPL in terms of the Scheme, PPL shall issue and allot 95,46,54,800 equity shares to the shareholders of PEL as on the Demerger Record Date (as defined in the Scheme), in accordance with the Registered Valuer's Report, in the following manner:

"for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL."

These equity shares are proposed to be listed on BSE Limited (designated stock exchange) and National Stock Exchange of India Limited.

These equity shares are proposed to be listed on (to be specified) (designated stock exchange) and (to be specified).- – Not Applicable.

OFS: Offer for Sale

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders *(upto a maximum of 10 selling shareholders)*

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
Not Applicable							

P: Promoter; PG: Promoter Group; OSS: Other Selling shareholder; WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis.

Price Band, Minimum Bid Lot & Indicative Timelines	
Price Band*	Not Applicable
Minimum Bid Lot Size	
Bid/Offer Open On	
Bid/Closes Open On	
Finalisation of Basis of Allotment	
Initiation of Refunds	
Credit of Equity Shares to Demat accounts of Allottees	
Commencement of trading of Equity Shares	

Details of WACA of all shares transacted over the trailing eighteen months from the date of RHP

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price- Highest Price (in Rs.)
Trailing Eighteen Month from the date of RHP	Not Applicable		

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of RHP.

PHL Fininvest Private Limited

RISKS IN RELATION TO THE FIRST OFFER
The face value of the Equity Shares is x. The Floor Price, Cap Price and Offer Price determined by our Company and the Selling Shareholders, in consultation with the BRLM's, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under *"Basis for Offer Price"* on page xx should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.- **Not Applicable**

GENERAL RISKS
Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the RHP. - **Not Applicable** Specified attention of the investors is invited to the section titled "Internal Risk Factors" on page 13 of this Abridged Prospectus.-

LISTING
Not Applicable

PROCEDURE
You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participant s, stock brokers, underwriters, bankers to the issue, investors' associations or Self Certified Syndicate Banks. If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM's or download it from the websites of the Stock Exchanges i.e. www.nseindia.com;www.bseindia.com; and the BRLMs (websites to be specified).. - **Not Applicable**

PRICE INFORMATION OF BRLMs*

Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark)- 90th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing
		+ 1% (+5%)	-2% (-5%)	
Not Applicable				

* Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each Merchant Banker with common issues disclosed once.

Name of BRLM and contact details (telephone and email id) of each BRLM	**Not Applicabl**
Name of Syndicate Members	

In case of issues by Small and Medium Enterprises under Chapter IX, details of the market maker to be included - **Not Applicable**

PHL Fininvest Private Limited

Name of Registrar to the Issue and contact details (telephone and email id)	**Not Applicable**
Name of Statutory Auditor	
Name of Credit Rating Agency and the rating or grading obtained, if any	
Name of Debenture trustee, if any.	
Self-Certified Syndicate Banks	
Non Syndicate Registered Brokers	
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrat to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	

PROMOTERS OF THE ISSUER COMPANY

Sr. No.	Name	Individual/Corporate	Experience & Educational Qualification
1.	Piramal Enterprises Limited	Corporate	**Experience:** Piramal Enterprises Limited (PEL) is a public limited company incorporated on 26th April, 1947 with corporate identification number: L24110MH1947PLC005719.The registered office of PEL is situated at Piramal Ananta, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400070. The equity shares of PEL are listed on BSE and NSE. PEL is primarily engaged in the business of (i) providing financial services, including wholesale and retail lending services, directly and indirectly; and (ii) the pharmaceutical sector, directly and indirectly, including through its subsidiary, comprising (a) contract development and manufacturing organization services, ranging from discovery and clinical development to commercial manufacturing of active pharmaceutical ingredients vitamins and mineral pre-mixes and formulations; (b) manufacturing, selling and distributing complex hospital generics including inhalation anaesthesia, injectable anaesthesia, intrathecal spasticity and pain management and select antibiotics; and (c) manufacturing, marketing and distributing consumer healthcare products. **Educational Qualification**- Not Applicable

Details of promoter/s should not exceed 500 words while explaining their experience and educational qualifications

BUSINESS OVERVIEW AND STRATEGY

PHL Fininvest Private Limited

Company Overview: PHL Fininvest Pvt. Ltd.('the company') is a private limited company incorporated on 8th June, 1994 with corporate identification number: U67120MH1994PTC078840.The registered office is situated at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra – 400013. The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company ("NBFC"), registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 to commence / carry on the business of non-banking financial institution without accepting public deposits. The Company is primarily engaged in the business of lending and investment.

Product/Service Offering and Revenue segmentation by product/service offering:

Product/Service	Amounts in Lakhs
Structured Debt	48,424
Construction Finance	37,649
Lease Rental Discounting	25,900
Loan Against Property	9,254
Senior Debt	7,686
Mezzanine Funding	3,220
Others	24,663
Grand Total	**1,56,797**

Geographies Served and Revenue segmentation by geographies:

The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 having revenue of Rs. 1,56,797 Lakhs.

Key Performance Indicators: The Company does not publish any key performance indicators other than financial information as stated in its audited financial statements.

Client Profile or Industries Served and Revenue segmentation in terms of top 5/10 clients or Industries:

Particulars	Amounts in Lakhs
Real Estate	1,18,384
Auto	6,393
Renewables	2,844
Logistics	2,377
Packaging	1,717
Infra	383
ATM and cash management	36
Others	24,663
Grand Total	**1,56,797**

Intellectual Property, if any: The company does not have any registered intellectual property.

Market Share: Not Applicable

Manufacturing plant, if any: Not Applicable

Employee Strength: 31 Employees

Note:

(1) The quantitative statements shall be substantiated with Key Performance Indicators (KPIs) and other quantitative factors.

(2) No qualitative statements shall be made which cannot be substantiated with KPIs.

(3) Information provided in the table should not exceed 1000 words

PHL Fininvest Private Limited

BOARD OF DIRECTORS				
Sr. No.	Name	Designation (Independent / Whole time / Executive / Nominee)	Experience & Educational Qualification	Other Directorships
1	Mr. Khushru B. Jijina	Managing Director	Mr. Khushru Jijina is the Executive Director, Financial Services, Piramal Enterprises Ltd. (PEL). A Chartered Accountant with an illustrious career spanning well over three decades in the field of real estate, corporate finance and treasury management, Mr. Jijina has been associated with the Piramal Group for two decades. Under his leadership, PCHFL has grown rapidly and 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 the non-real estate sector includes separate verticals – Corporate Finance (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). Mr Jijina has been recognised with several prestigious leadership accolades over his career of more than two decades with the Piramal Group. Prior to his current stint, Mr. Jijina was the Managing Director of Piramal Realty where he was responsible for a portfolio of real estate development projects and oversaw all aspects of their execution. He was also the Executive Director of Piramal Sunteck Realty. He joined the Piramal Group in 2001 as Vice President, Treasury, and was instrumental in securing debt at the lowest cost for the group, setting new benchmarks in the debt market. Mr. Jijina started his career with Rallis, a TATA Group company, where he held several pivotal positions in corporate finance and treasury.	Indian Companies: • Piramal Enterprises Limited • Piramal Capital & Housing Finance Limited • Piramal Fund Management Private Limited • India Venture Advisors Private Limited • Silver Pearl Realty Private Limited • Piramal Securities Limited • Agfields Nutriments Private Limited • Greendale Pearl Private Limited • Greendale Isles Private Limited • Greendale Reserve Private Limited Foreign Companies: NIL

PHL Fininvest Private Limited

2	Dr. (Mrs.) Swati A. Piramal	Non- Executive Director	Dr. (Mrs.) Swati A. Piramal is one of India's leading scientists and industrialists, and is involved in public health and innovation. She has used her background in medicine, public health and business to change the trajectory of healthcare, education and public policy in India. Dr. Piramal is a member of the Dean's Advisor to Harvard Business School & Public Health and was also member of Harvard Board of Overseers (2012- 2018). In addition to her other commitments, Dr. Piramal is deeply committed to Corporate Social Responsibilities activities. She is involved in projects across healthcare, education, livelihood creation and youth empowerment. She aims to resolve issues that are critical roadblocks towards unlocking India's economic potential by finding innovative solutions. She also looks at avenues for promoting health in rural India with mobile health services, women's empowerment projects and supporting community education that create young leaders. As the first woman president of India's Apex Chamber of Commerce in 90 years, she helped influence important public policies and governance. She served as an adviser to the Indian Prime Minister in science, technology and economic policy (2006-2014). Education: 1. M.B.B.S.; 2. Masters in Public Health from the Harvard Business School; 3. D.I.M, College of Physicians & Surgeons, Industrial Medicine, Bombay	Indian Companies: • Piramal Enterprises Limited • Piramal Glass Private Limited • Allergan India Private Limited • Nestle India Limited • PEL Management Services Private Limited • Piramal Capital & Housing Finance Limited Foreign Companies: • Essilor Luxottica

PHL Fininvest Private Limited

3	Mr. Narayanan Vaghul	Independent Director	Mr. N. Vaghul received his Bachelor of Commerce (Hons.) Degree from the University of Madras (now known as Chennai). He is the former Chairman of ICICI Bank Ltd and is widely recognised for his role in pioneering the concept of Universal Banking Model that laid the foundation for a new era in Indian banking. He joined the State Bank of India in 1957 as a Probationary Officer, became the Director in the National Institute of Bank Management, Mumbai in 1976, before assuming charge as Executive Director in Central Bank of India in 1978. He became the Chairman of Bank of India in 1981. He joined ICICI Limited as Chairman and CEO in 1985 and headed the group till April 2009. Mr. Vaghul set up a commercial bank with which ICICI was to merge subsequently to become the first major universal financial institution. He was also instrumental in setting up ICICI Securities, an Investment Banking Company. He also pioneered the concept of credit rating in India by setting up CRISIL and was the founder Chairman of CRISIL for close to 10 years. Mr. Vaghul was also Chairman of 'Pratham', leading NGO for education to under privileged children. He is associated with several foundations dedicated to the cause of primary education. He is also deeply committed to the cause of science and technology and was responsible for setting up the first Science and Technology Park in the country, ICICI Knowledge Park. He was associated with Institute of Technology in Jaipur. He has been the Chairman of IFMR, a Business School. He is recipient of numerous awards and honours. He was awarded 'Padma Bhushan' by the Government of India in 2009.	Indian Companies: • Piramal Enterprises Limited • IKP Trusteeship Services Private Limited Foreign Companies: NIL

PHL Fininvest Private Limited

4	Mr. Gautam B. Doshi	Independent Director	Mr. Gautam B. Doshi, a Chartered Accountant and Masters in Commerce, has been in professional practice for over 45 years. He advises various industrial groups and families and also serves as a director on the boards of various listed and unlisted companies. Mr. Doshi's experience covers wide range of areas including advisory services in the field of accounting, taxation, corporate and commercial laws and regulatory matters. He has been actively involved in conceptualizing and implementing a number of mergers and restructuring transactions both domestic and cross border, involving many of the top 20 listed companies on the BSE as also those forming part of FTSE 100. A prolific speaker, Mr. Doshi has addressed several seminars and conferences within and outside of India and courses organized by the Institute of Chartered Accountants of India, International Fiscal Association, Other professional bodies and Chambers of Commerce. He has served on the Councils of Western Region as also All India level of the Institute of Chartered Accountants of India which has the task of development and regulation of profession of accountancy in India. During his tenure on the Council, he served on several committees and contributed significantly to the work of Board of Studies which is responsible for education and system of training of students. He also served as Chairman of Committees on direct and indirect taxation.	Indian Companies: • Sun Pharmaceutical Industries Limited • Capricon Realty Limited • Piramal Capital & Housing Finance Limited • Banda Real Estate Private Limited • Kudal Real Estate Private Limited • Connect Capital Private Limited • Aashni Ecommerce Private Limited • Suzlon Energy Limited • Sun Pharma Laboratories Limited **Foreign Companies:** • Sun Pharma Holdings, Mauritius • Taro Pharmaceuticals U.S.A Inc • Sun Pharmaceutical Industries, Inc, Delaware, USA

PHL Fininvest Private Limited

OBJECTS OF THE ISSUE

Details of means of finance — Not Applicable

The find requirements for each of the objects of the Issue are stated as follows: (Rs. in crores)

Sr. No.	Objects of the Issue	Total estimate cost	Amount deployed till	Amount to be financed from Net Proceeds	Estimated Net Proceeds Utilization	
					Fiscal 20	Fiscal 20
Not Applicable						
	Total					

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years.

Name of monitoring agency, if any- Not Applicable

Terms of Issuance of Convertible Security, if any- Not Applicable

Convertible securities being offered by the Company	**Not Applicable**
Face Value / Issue Price per Convertible securities	
Issue Size	
Interest on Convertible Securities	
Conversion Period of Convertible Securities	
Conversion Price for Convertible Securities	
Conversion Date for Convertible Securities	
Details of Security created for CCD	

Rationale of the Scheme:

(A) The businesses presently undertaken by Piramal Enterprises Ltd.(PEL) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals. The requirements of each business, including in terms of capital, operations, knowledge, nature of risk, competitive advantages and strategies, and regulatory compliances are very distinct when compared with the other. Each of these business verticals are significantly large and mature, and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a wholly owned subsidiary PEL).

(B) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms and flagship listed entities;

PHL Fininvest Private Limited

(ii) realign the pharmaceutical business and the financial services business to rationalize, simplify and streamline the group structure with the domestic pharmaceutical business being consolidated under Piramal Pharma Ltd. (PPL), and PEL continuing to focus primarily on the financial services business directly (with consolidation of the lending business across PEL and the company under PEL post the merger of the Company with the PEL) and indirectly (including through subsidiaries and associate companies).

(C) The proposed Demerger will not only facilitate pursuit of scale and independent growth plans (organically and inorganically) with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

(D) In order to comprehensively restructure and streamline the pharmaceutical business in India under PPL, it is also proposed to merge Convergence Chemicals Private Limited (CCPL) and Hemmo Pharmaceuticals Private Limited (HPPL), being wholly owned subsidiaries of PPL engaged in the pharmaceutical business, allowing the pharmaceutical business in India, currently conducted by PPL directly and through its Indian subsidiaries to be consolidated with PPL, which is also expected to enable faster decision making. Allergan India Private Limited, an associate company of PPL, will, however, continue to operate independently in the specialty pharmaceutical sector.

(E) In addition to the above, to restructure the financial services business, it is proposed to merge the company with PEL. In addition to the establishment of a distinct platform with dedicated focus on the financial services business as mentioned above, the merger of the company, being a wholly owned subsidiary of PEL, will enable the consolidation of the lending business across PEL and the Company in PEL and streamlining of the group structure in a manner that results in the creation of a single non-banking financial company ("**NBFC**") entity which is regulated by the Reserve Bank of India ("**RBI**"), (subject to requisite approvals) and holds distinct entities engaged in diverse aspects of the financial services business such as housing finance, asset management and merchant banking.

(F) In view of the abovementioned reasons and in order to avoid multiplicity of schemes and the consequent increase in cost, time, resources and effort that may have to be expended by the Companies, the Hon'ble National Company Law Tribunal and the Appropriate Authorities (as defined in the Scheme), it is considered desirable and expedient to implement the Scheme as a composite scheme.

(G) In furtherance of the aforesaid, this Scheme provides for the following:

(i) the transfer by way of a demerger of the Demerged Undertaking (as described in the Scheme) of the Demerged Company to PPL, the consequent issue of equity shares by PPL to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (*as defined in the Scheme*) ("**Demerger**"). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking shall stand cancelled;

(ii) the amalgamation of CCPL ("**Amalgamating Pharma Company 1**") and HPPL ("**Amalgamating Pharma Company 2**"), both being wholly owned subsidiaries of PPL ("**Amalgamated Pharma Company**"), into the Amalgamated Pharma Company and consequent dissolution of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 without winding up and the cancellation of the equity shares of Amalgamating Pharma Company 1 and Amalgamating Pharma Company 2 held by the Amalgamated Pharma Company and its nominee shareholder ("**Pharma Amalgamations**");

(iii) the amalgamation of PFPL ("**Amalgamating FS Company**"), a wholly owned subsidiary of PEL ("**Amalgamated FS Company**"), into the Amalgamated FS Company and consequent dissolution of Amalgamating FS Company without winding up and the cancellation of the equity shares of Amalgamating FS Company held by the Amalgamated FS Company and joint shareholders ("**FS Amalgamation**"); and

(iv) various other matters consequential or integrally connected therewith;

pursuant to Sections 230 to 232 and other applicable provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the SEBI Scheme Circular (*as defined in the Scheme*) and the IT Act (*as defined in the Scheme*), including Sections 2(1B) and 2(19AA) thereof.

PHL Fininvest Private Limited

(H) Following the FS Amalgamation, PEL will become an NBFC and is proposed to obtain a certificate of registration/license to operate as an NBFC from the RBI and PFPL will surrender its certificate of registration/license to the RBI.

Number/amount of equity shares proposed to be sold by selling shareholders, if any. – Not Applicable

Shareholding Pattern*

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter and Promoter Group	62,86,84,777	100.00%
2.	Public	0	0.00%
	Total	62,86,84,777	100.00%

****The shareholding pattern is as on the date of this Abridged Prospectus. Post effect of the Scheme, the Company will cease to exist.***

Number/amount of equity shares proposed to be sold by selling shareholders, if any.- Not Applicable

CONSOLIDATED AUDITED FINANCIALS

(Rs. In Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Total income from operations (Net)	1,62,293	2,01,348	1,93,208
Net Profit/(Loss) before tax and extraordinary items	57,429	66,592	15,376
Net Profit / (Loss) after tax and extraordinary items	42,587	49,167	8,935
Equity Share Capital	62,868	62,868	62,868
Reserves and Surplus	5,00,354	4,57,747	4,08,676
Net worth	5,63,222	5,20,615	4,71,544
Basic earnings per share (Rs.)	6.77	7.81	1.99
Diluted earnings per share (Rs.)	6.77	7.81	1.99
Return on net worth (%)	7.56%	9.44%	1.89%
Net asset value per share (Rs.)	89.59	82.81	75.00

PHL Fininvest Private Limited

INTERNAL RISK FACTORS

The below mentioned risks are top 5 risk factors as per the Abridged prospectus

1. The extent to which the recent COVID19 outbreak impacted our business, cash flows and financial condition will depend on future developments, which are unpredictable.
2. Our business is vulnerable to volatility in interest rates-

Currently, the country is facing inflation, which could have an adverse effect on our profitability and significantly on our financial condition. Due to high inflation, operations of the company are susceptible to fluctuations in interest rates which could cause our net interest margin to vary and consequently affect our profitability. Any volatility in interest rates could adversely affect our financial performance, input cost and supply chain management of our borrower and our results of operations.

3. As an NBFC, our business is subject to various regulatory and legal requirements. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.
4. We are exposed to industry concentrations, financial institution financing and real estate financing segments, and a default by any large borrower or a deterioration in the performance of any of the industry sectors to which we have significant exposure would adversely affect the quality of our portfolio, and our ability to meet capital requirements could be jeopardized. The company may face the risk of default by borrowers and other counterparties. Any such defaults would result in write-offs and/or provisions in financial statements which may have a material adverse effect on our profitability. Any increase in the levels of NPAs in our loan portfolio, for any reason whatsoever, would in turn adversely affect our financial performance.
5. We have a significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business. The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future or any adverse developments in the real estate sector could adversely affect our business. In past, we also extended loans to real estate developers for acquisition of land parcels which are at a nascent stage and have not received regulatory approvals with respect to development of such land parcels. Any delay or failure to obtain any regulatory approvals may extend the expected timelines for development of our borrowers and result in a delay in payments of interest and/ or principal from these borrowers. We depend on accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of creditworthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

Further, our business also entails high risks given the underlying borrower profile and large ticket size of loans.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A Total number of outstanding litigations against the company and amount involved

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
Company						
By the Company	1	7	0	0	3	547.72
Against the Company	0	0	0	0	0	0
Directors*1						
By our Directors	0	0	0	0	0	0
Against the Directors	0	0	0	0	0	0
Promoters*1						
By Promoters	0	0	0	0	0	0
Against Promoters	0	0	0	0	0	0
Subsidiaries						
By Subsidiaries	0	0	0	0	0	0
Against Subsidiaries	0	0	0	0	0	0

PHL Fininvest Private Limited

B Brief details of top 5 material outstanding litigations against the company and amount involved- Nil

C Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any (200 - 300 word limit in total)

Piramal Enterprises Limited (PEL)

- SEBI had issued an Order dated October 3, 2016 with respect to PEL and other persons imposing an aggregate penalty of ₹ 6,00,000 (Rupees Six Lakhs only) in respect of certain technical non-compliances with the Model Code of Conduct prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992. On appeal the SEBI Order was quashed by the Securities Appellate Tribunal vide its order dated May 15, 2019. This matter is currently closed.
- BSE and NSE, vide their respective Notices dated February 15, 2021, imposed a fine of Rs. 2,89,100 each, on PEL, for not filling the vacancy in the board position of Independent Women Director within the stipulated time period of 3 months and non-compliance with Listing Regulations. These fines have been paid.

D Brief details of outstanding criminal proceedings against Promoters[*1] –Nil

[*1] Only proceedings which are pertaining to the business of the Company have been considered.

ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY- NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may he have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct- This statement is true and correct with respect to this abridged prospectus.

For PHL Fininvest Private Limited

PHL Fininvest Private Limited

Namrata Sajnani

Company Secretary

Place: Mumbai

Date: May 26, 2022

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PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719
Registered Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070
Tel No.: (91 22) 3802 3000/4000 **Fax No.:** (91 22) 3802 3084
Website: www.piramal.com **E-mail ID:** complianceofficer.pel@piramal.com

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT II
COMPANY APPLICATION NO. CA(CAA) 119/MB/2022

In the matter of Companies Act, 2013;

And

In the matter of Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016

And

In the matter of Composite Scheme of Arrangement amongst Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited and their respective shareholders and creditors .

Piramal Enterprises Limited [CIN: L24110MH1947PLC005719], a public limited company, incorporated under the Companies Act, 1913, having its registered office at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400070	**…Applicant Company 1 / Amalgamated FS Company / Demerged Company**
Piramal Pharma Limited [CIN: U24297MH2020PLC338592], a public limited company, incorporated under the Companies Act, 2013, having its registered office at Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla (West), Mumbai- 400070, Maharashtra	**…Applicant Company 2 / Amalgamated Pharma Company / Demerged Company**
Convergence Chemicals P/rivate Limited [CIN: U24100MH2014PTC373507], a private limited company, incorporated under the Companies Act, 2013, having its registered office at Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla West, Mumbai, Maharashtra – 400070	**…Applicant Company 3 / Amalgamating Pharma Company 1**
Hemmo Pharmaceuticals Private Limited [CIN: U17100MH1979PTC021857], a private limited company, incorporated under the Companies Act, 1956, having its registered office at 114, Turf Estate, 3/65, off Dr. E. Moses Road, Mahalaxmi, Mumbai, Maharashtra – 400011	**…Applicant Company 4 / Amalgamating Pharma Company 2**
PHL Fininvest Private Limited [CIN: U67120MH1994PTC078840], a private limited company, incorporated under the Companies Act, 1956, having its registered office at 4th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra – 400013	**…Applicant Company 5 / Amalgamating FS Company**

Piramal Enterprises Limited

SECURED CREDITORS
Form No. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, …………………..……….................................., the undersigned Secured Creditor(s) of Piramal Enterprises Limited, being the Applicant Company 1 abovenamed, do hereby appoint

1. Name ____________________
   Address ____________________
   E-mail ID ____________________ Signature ____________________ or failing him/her
2. Name ____________________
   Address ____________________
   E-mail ID ____________________ Signature ____________________ or failing him/her
3. Name ____________________
   Address ____________________
   E-mail ID ____________________ Signature ____________________

as my/our proxy to attend and vote through ballot / polling paper for me/us and on my/our behalf at the Meeting of the Secured Creditors of the Company, to be held on Tuesday, July 5, 2022 at 11:30 a.m. at Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 and at any adjournment(s) thereof, in respect of such resolution as is indicated below:

** I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolution	For	Against	Abstain
1.	Resolution approving Composite Scheme of Arrangement amongst the Company, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited, and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013			

Signed this..................................day of................................ 2022.

Affix revenue stamp

____
Signature of Secured creditor

____________________ ____________________ ____________________
Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

** This is only optional. Please put a '√' in the appropriate column against the resolution indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave the column blank against the resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

1. **This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. A proxy need not be a Secured creditor of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. Appointing a proxy does not prevent a secured creditor from attending the meeting in person if he so wishes.
5. Please affix Revenue Stamp before putting Signature.
6. All alterations made in the Form of Proxy should be fully signed.
7. In case of multiple proxies, the proxy later in time shall be accepted.

PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070

Tel No.: (91 22) 3802 3000/4000 **Fax No.:** (91 22) 3802 3084

Website: www.piramal.com **E-mail ID:** complianceofficer.pel@piramal.com

ATTENDANCE SLIP

MEETING OF THE SECURED CREDITORS ON JULY 5, 2022

I / We hereby record my / our presence at the Meeting of the Secured Creditors of Piramal Enterprises Limited, convened pursuant to an Order dated May 12, 2022 of the Hon'ble National Company Law Tribunal, Mumbai Bench, at Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021 at 11:30 a.m. on Tuesday, July 5, 2022.

Name and address of the Secured Creditor (IN BLOCK LETTERS)	
Name and address of Proxy* (IN BLOCK LETTERS)	

Signature of Secured creditor

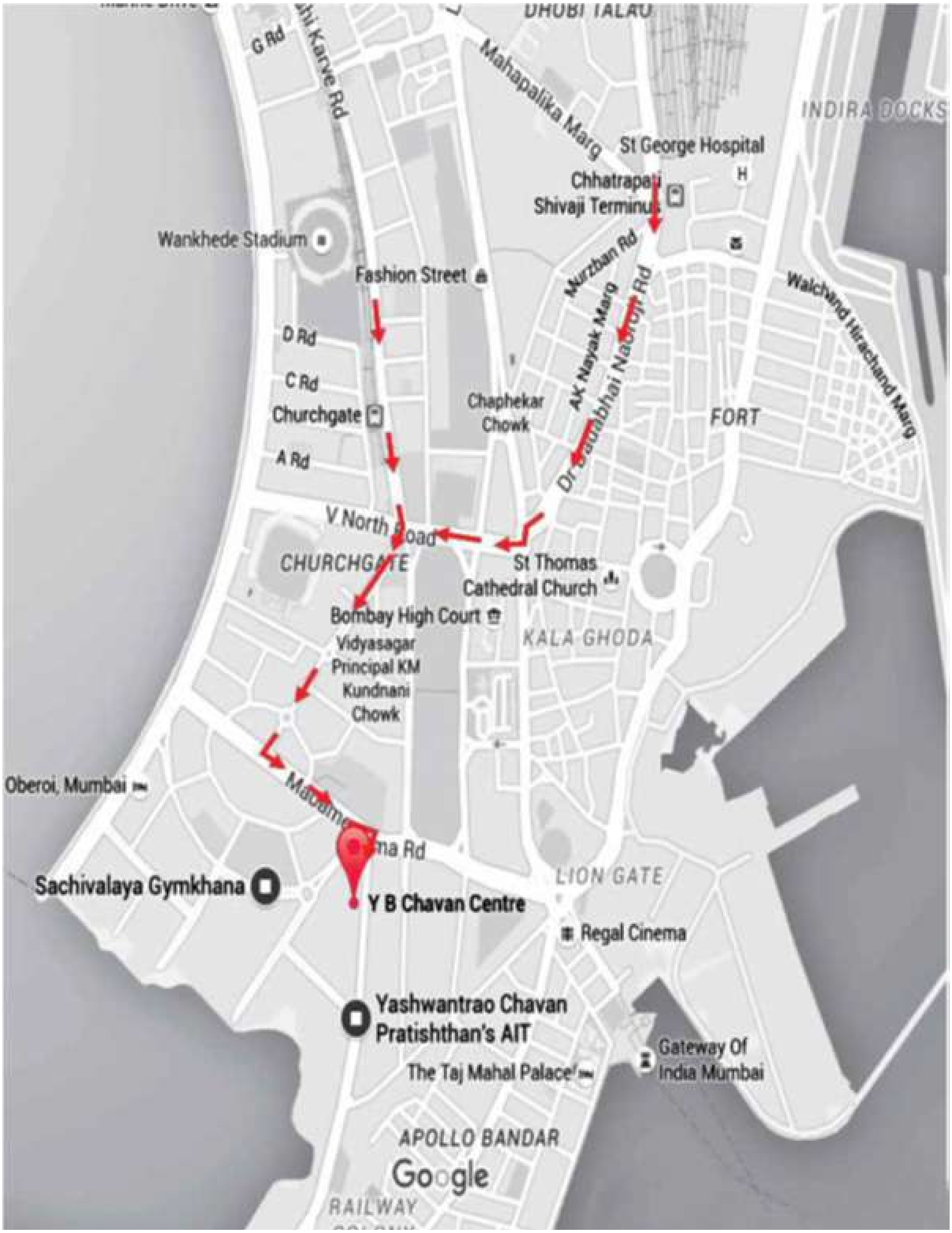
Signature of proxy holder

*To be filled in by the Proxy in case he/she attends instead of the Secured Creditor

Notes:

1. Secured Creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Secured Creditors who come to attend the meeting are requested to bring their copy of the Notice and Scheme with them.

ROUTE MAP TO THE VENUE OF THE MEETING OF PIRAMAL ENTERPRISES LIMITED



(Source: Google Maps)

Y. B. Chavan Centre
General Jagannathrao Bhosale Marg,
Next to Sachivalaya Gymkhana,
Mumbai - 400 021

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