Piramal Enterprises Limited

Annual Report of Subsidiaries

2021-22

Contents

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Independent Auditor's Report

To the Members of Piramal Alternatives Private Limited (Formerly known as Piramal Asset Management Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Piramal Alternatives Private Limited (Formerly known as Piramal Asset Management Private Limited)** ('the Company'), which comprise the Balance Sheet as at **31 March 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 a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 financial statements under the provisions of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information 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 in the audit or otherwise appears to be materially misstated.

   The Annual report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. 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.

7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing 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.

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9. As part of an audit in accordance with Standards on Auditing, 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 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 with reference to 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 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;

   - Obtain sufficient appropriate audit evidence regarding the financial statements of the Company to express an opinion on the financial statements.

10. 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, BSR & Co. LLP, Chartered Accountants, who have expressed an unmodified opinion on those financial statements vide their audit report dated 3 May 2021. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

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13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

   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 financial statements dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

   e) on the basis of the written representations received from the directors and 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 with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

   g) 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 litigation which would impact its financial position as at 31 March 2022;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022; and

      iv.
         a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('the 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

c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Sudhir N. Pillai
Partner
Membership No:105782

UDIN:22105782AJQHYI9044

Place: Mumbai
Date: 10 May 2022

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Piramal Alternatives Private Limited (Formerly known as Piramal Asset Management Private Limited) on the financial statements for the year ended 31 March 2022

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 report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(iii) The Company has not made any 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 (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

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Annexure I (Contd)

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961*	Income Tax	90,591	-	Financial Year 2019-20	Centralized Processing Centre	None

**represent the rectification application filed by the Company.*

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company

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Annexure I (Contd)

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year without a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

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Annexure I (Contd)

(xvii) The Company has incurred cash losses in the current and immediately preceding financial years amounting to Rs. 19.13 crores and Rs. 0.44 crores respectively.

(xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

(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 financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that 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. 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, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No:105782

UDIN:22105782AJQHYI9044

Place: Mumbai
Date: 10 May 2022

Annexure II to the Independent Auditor's Report of even date to the members of Piramal Alternatives Private Limited (Formerly known as Piramal Asset Management Private Limited) on the financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Piramal Alternatives Private Limited (Formerly known as Piramal Asset Management Private Limited)** ('the Company') as at and for the year ended **31 March 2022**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

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Annexure II (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No:105782

UDIN:22105782AJQHYI9044

Place: Mumbai
Date: 10 May 2022

Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Balance Sheet

(Currency: Indian rupees in lakhs)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	3	**4.51**	62.78
(b) Receivables			
Other Receivables	4	**14.36**	0.34
(c) Investments	5	**499.09**	500.00
2 Non-Financial assets			
(a) Current tax assets (net)	6	**21.89**	10.43
(b) (i) Property, plant and equipment	7(a)	**82.20**	-
(ii) Right-of-use assets	7(b)	**260.92**	-
(c) Other non-financial assets	8	**17.64**	20.87
Total assets		**900.61**	**594.42**
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
Trade payables			
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	9	**57.73**	4.38
(b) Borrowings (other than debt securities)	10	**1,540.00**	1,070.00
(c) Lease liability	11	**268.66**	-
(d) Other financial liabilities	12	**510.88**	15.00
2 Non-Financial liabilities			
(a) Provisions	13	**111.88**	8.71
(b) Other non-financial liabilities	14	**36.39**	8.87
3 Equity			
(a) Equity share capital	15	**100.00**	100.00
(b) Other equity	16	**(1,724.93)**	(612.55)
Total liabilities and equity		**900.61**	**594.42**
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No:105782

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Mumbai
Date: 10.05.2022

For and on behalf of the Board of Directors of
Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Anand A. Piramal
Director
DIN: 00286085

Kalpesh Kikani
Director
DIN: 03534772

PIRAMAL ALTERNATIVES PRIVATE LIMITED ★

Mumbai
Date: 10.05.2022

Internal Use- Confidential

Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Statement of Profit and Loss
(Currency: Indian rupees in lakhs)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue			
Revenue from operations			
Fee and commission income		184.65	108.16
Other income	17	26.10	80.09
Total income		210.75	188.25
Expenses			
Finance costs	18	157.44	109.39
Employee benefits	19	976.41	106.82
Depreciation and amortization expenses	20	26.41	-
Other expenses	21	85.24	15.80
Net loss on fair value changes		0.91	-
Total expenses		1,246.41	232.00
(Loss) before tax		(1,035.66)	(43.76)
Less: Tax expenses			
Current tax		-	-
Deferred tax		-	-
		-	-
(Loss) after tax		(1,035.66)	(43.76)
Other Comprehensive Income/(Expenses):			
A. Items that will not be reclassified to profit or loss			
Income / (Loss) on fair valuation of defined benefit plan as per actuarial valuation		(76.71)	3.01
Total Comprehensive (loss) for the year		(1,112.37)	(40.74)
Earnings per share [nominal value of share Rs. 10]	22		
Basic		(103.57)	(4.38)
Diluted		(103.57)	(4.38)
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/500013

Sudhir N. Pillai
Partner
Membership No:105782

Mumbai
Date: 10.05.2022

For and on behalf of the Board of Directors of
Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Anand V. Piramal
Director
DIN: 00286085

Kalpesh Kikani
Director
DIN: 03534772

Mumbai
Date: 10.05.2022

Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Statement of Changes in Equity
(Currency: Indian rupees in lakhs)

(a) Equity share capital

	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid	
Balance as at 01 April 2020	100.00
Changes in equity share capital during the year	-
Balance as at 31 March 2021	100.00
Restated balance at the beginning of the reporting period	100.00
Changes in equity share capital during the year	-
Balance as at 31 March 2022	100.00

(b) Other equity

Particulars	Reserves and surplus	Total
	Retained earnings	
Balance as at 01 April 2020	**(571.80)**	**(571.80)**
Add: (Loss) for the year	**(43.76)**	(43.76)
Add: Other comprehensive income/ (expense) for the year	**3.01**	3.01
Total comprehensive income/(expense) for the year	**(40.74)**	**(40.74)**
Balance as at 31 March 2021	**(612.55)**	**(612.55)**
Add: (Loss) for the year	**(1,035.67)**	(1,035.67)
Add: Other comprehensive income/ (expense) for the year	**(76.71)**	(76.71)
Total comprehensive income/(expense) for the year	**(1,112.38)**	**(1,112.38)**
Balance as at 31 March 2022	**(1,724.93)**	**(1,724.93)**

Nature and purpose of reserves

1) Retained earnings

Retained earnings pertains to the accumulated earnings / (losses) made by the Company over the years.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No:105782

Mumbai
Date: 10.05.2022

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Anand A. Piramal
Director
DIN: 00286085

Kalpesh Kikani
Director
DIN: 03534772

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Mumbai
Date: 10.05.2022

Internal Use--Confidential

Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Statement of Cash Flows
(Currency: Indian rupees in lakhs)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities			
Loss before tax		(1,035.66)	(43.76)
Adjustments for :			
Finance costs recognised in statement of profit or loss		157.44	109.39
Gain on sale of mutual fund units		(0.22)	(0.09)
Depreciation and amortisation		26.41	-
Loss on Fair Valuation		0.91	-
Income on investments		(25.18)	(20.50)
Operating cash flow before working capital changes		(876.30)	45.04
Decrease/(increase) in trade receivables		(14.02)	11.53
Decrease/(increase) in other non-financial assets		3.23	73.74
(Decrease)/ increase in trade payables		53.35	(64.19)
(Decrease)/ increase in provision		26.45	(1.81)
(Decrease)/ increase in other financial liabilities		482.95	(20.00)
(Decrease)/ increase in other liabilities		27.52	(11.83)
Cash generated from/(used in) operations		(296.83)	32.49
Income taxes paid		(11.46)	(3.77)
Net cash flows from/(used in) operating activities (A)		(308.29)	28.72
Cash flows from investing activities			
Redemption of investment		-	100.00
Purchase of mutual fund		(75.00)	(60.00)
Proceeds from sale of mutual fund		75.22	60.09
Income on investments		25.18	20.50
Purchase of property, plant and equipment		(87.95)	-
Net cash flows from/(used in) investing activities (B)		(62.55)	120.59
Cash flows from financing activities			
Proceeds from borrowings	26	470.00	1,970.00
Repayment of borrowings	26	-	(1,940.00)
Interest paid		(157.44)	(131.72)
Net cash flows from/(used in) financing activities (C)		312.56	(101.72)
Net increase/(decrease) in cash and cash equivalents D=(A+B+C)		(58.27)	47.59
Cash and cash equivalents at the beginning of the year (E)	3	62.78	15.19
Cash and cash equivalents at the end of the year (D+E)	3	4.51	62.78
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No:105782

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Mumbai
Date: 10.05.2022

For and on behalf of the Board of Directors of
Piramal Alternatives Private Limited
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Anand A. Piramal
Director
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Director
DIN: 03534772

PIRAMAL ALTERNATIVES PRIVATE LIMITED ★

Mumbai
Date: 10.05.2022

Internal Use - Confidential

Notes to the Financial Statements

1. GENERAL INFORMATION

Piramal Alternatives Private Limited ('the Company') was incorporated on 14 June 2018 with an objective to provide investment advisory services in the non-real estate sector. The Company has established a contributory trust, 'Piramal Alternative Opportunities Trust' (the 'Trust'), under the provisions of the Indian Trust Act, 1882. The Trust has received approval from the Securities and Exchange Board of India on 12 December 2018 to carry on the activity of alternate investment fund under its different schemes by pooling together resources and finances from institutional and high net worth investors. The Company has been appointed as investment manager to the Trust under an investment management agreement dated 26 March 2019. In the Board meeting held on 9 March 2020, the Board of Directors of the Company (Investment manager of the Trust) resolved, subject to approval of the stakeholders and other regulatory approvals and clearance, if any, to discontinue the operations of the Fund and commence voluntary winding up Piramal Alternative Opportunities Fund ("the Scheme") (a scheme floated under the above Trust). Accordingly, the Scheme was wound up in the month of April 2020 and communication to the effect was circulated to investors on 08 April 2020

The Company has also established a contributory trust, 'Piramal Structured Credit Opportunities Fund' (the 'Fund'), under the provisions of the Indian Trust Act, 1882. The Fund has received approval from the Securities and Exchange Board of India on 10 February 2020 to carry on the activity of alternate investment fund by pooling together resources and finances from institutional and high net worth investors. The Company has been appointed as investment manager to the Fund under an investment management agreement dated 04 February 2020

The Company has also established a contributory determinate trust, 'Piramal Alternatives Investment Fund I ("Trust"), under the provisions of the Indian Trust Act, 1882. The Fund has filed an application with the Securities and Exchange Board of India on 19th February 2022 to carry on the activity of alternate investment fund as permissible under the SEBI (Alternative Investment Funds) Regulations, 2012, as amended ("AIF Regulations")

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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 Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

ii) Basis of Accounting

The 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) 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 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.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

iv) Depreciation and amortisation

a. Property, plant and equipment

Depreciation is provided on a pro-rata basis using straight line method ('SLM') over the useful lives of the assets

Office equipments	5 years
Furniture and fixtures	10 years
Computer servers and network devices	6 years
Computer - end user devices	3 years
Motor car	8 years
Leasehold improvements	Amortised over lease tenure

Individual fixed assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

v) Impairment of non financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vi) Financial instruments

Financial assets and financial liabilities are recognised when a 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 statement of profit and loss.

Financial assets

Classification:

Financials 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).

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.

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PIRAMAL ALTERNATIVES PRIVATE LIMITED ★

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial assets (Continued)

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 the statement of profit or loss. The net gain or loss recognised in the statement of 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.

vi) Financial instruments

All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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.

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 equity instrument.

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.

All liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 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.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

vii) 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 (in case of contributions to the Regional Provident Fund Office) and pension 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

Gratuity: The liability or asset recognised in the balance sheet in respect of defined benefit 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 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.

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.

viii) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

ix) Revenue recognition

Advisory fees: Revenue from advisory fees is recognised in statement of profit or loss over time as the services are rendered

Dividend: Dividend income from investment is recognised when the Company's right to receive payment has been established (provided that it is probable that economic benefit will flow to the Company in the amount of dividend income can be measured realiably).

Investment Income: Income from investment in private equity funds is recognised when the Company's right to receive payment has been established (provided that it is probable that economic benefit will flow to the Company and the amount of investment income can be measured realiably).

x) Leases

The Company has adopted Ind AS 116 - Leases, which requires any lease arrangement to be recognised in the balance sheet of the lessee as a 'right-of-use' asset with a corresponding lease liability. Accordingly depreciation has been charged on such assets as against lease rental expenses in the previous year. Similarly interest expense has been recognised on lease liabilities under finance costs. As permitted by the standard, the Company has applied this standard w.e.f. April 1, 2021. Since the Company didn't have any lease arrangement till March 31, 2021 previous year comparative are not available.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES ***(Continued)***

xi) Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 profit or loss, except where 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.

xii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xiii) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xiv) Segment Reporting

The Company is operating in a single reportable segment i.e. investment advisory service. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments and accordingly the same is not applicable to the Company.

xv) Earnings per share (EPS)

Basic earnings per share:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the 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.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

3 Cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
Cash on hand	1.22	0.22
Balance with banks		-
- Current accounts	3.29	62.56
Total	4.51	62.78

4 Other Receivables	As at 31 March 2022	As at 31 March 2021
Receivables from related parties considered good - Unsecured	14.36	0.34
Total	14.36	0.34

5 Investments	As at 31 March 2022		As at 31 March 2021	
	Qty.	Amount	Qty.	Amount
Investments within India				
Instruments at fair value through profit and loss				
Unquoted Investments				
In Jointly Controlled Entity*				
Piramal Structured Credit Opportunities Fund (AIF)				
Class D units of Rs. 100,000 each, partly paid up	152.51	499.09	42.85	500.00
Total Investments		499.09		500.00

* Company has invested Rs.500 lacs which represents sponsor share in SEBI registered AIF Category II Fund. Proportionate share of contribution for which units have been allotted is Rs.198.96 lacs which represents 0.23% of the Fund Contribution of Piramal Structured Credit Opportunities Fund ("PSCOF"). PSCOF has been assessed as Jointly Controlled Entity as all the projects proposed to be invested under PSCOF Fund has to undergo evaluation by the first 2 committees in which the joint decision is being taken by Piramal group and CDPQ Fixed Income X Inc ("CDPQ") and then in the third committee the Decision is being taken by the Piramal group. Any project which is going to the third level has the consent of CDPQ.

6 Current tax assets (net)	As at 31 March 2022	As at 31 March 2021
Tax deducted at source	21.89	10.43
Total	21.89	10.43

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PIRAMAL ALTERNATIVES PRIVATE LIMITED ★

Piramal Alternatives Private Limited

(Formerly known as Piramal Asset Management Private Limited)

Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in lakhs)

7(a) Property, plant and equipment

Particulars	Computer 7(a)	Office Equipment 7(a)	Furniture & Fixture 7(a)	Leasehold Improvements 7(a)	Total
Gross Block (At Cost)					
Balance as at 01 April 2021	-	-	-	-	-
Addition	0.18	37.25	18.31	32.21	87.95
Disposals	-	-	-	-	-
Balance as at 31 March 2022	0.18	37.25	18.31	32.21	87.95
Depreciation / Amortization					
Balance as at 01 April 2021	-	-	-	-	-
Addition	0.02	2.71	0.67	2.35	5.75
Disposals	-	-	-	-	-
Balance as at 31 March 2022	0.02	2.71	0.67	2.35	5.75
Net Block (At Cost)					
Balance as at 01 April 2021	-	-	-	-	-
Addition	0.16	34.54	17.64	29.86	82.20
Disposals	-	-	-	-	-
Balance as at 31 March 2022	0.16	34.54	17.64	29.86	82.20

7(b) Right-of-use assets

Particulars	Leasehold premises 7(b)
Gross Block (At Cost)	
Balance as at 01 April 2021	-
Addition	281.59
Disposals	-
Balance as at 31 March 2022	281.59
Depreciation / Amortization	
Balance as at 01 April 2021	-
Addition	20.66
Disposals	-
Balance as at 31 March 2022	20.66
Net Block (At Cost)	
Balance as at 01 April 2021	-
Addition	260.92
Disposals	-
Balance as at 31 March 2022	260.92

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

8	**Other non-financial assets**	**As at 31 March 2022**	**As at 31 March 2021**
	Prepaid expenses	0.39	0.39
	Gratuity fund (refer note 23(c))	-	0.23
	Other advances from related parties	17.25	20.25
	Total	17.64	20.87

9	**Trade payables**	**As at 31 March 2022**	**As at 31 March 2021**
(i)	Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	57.73	4.38
	Total	57.73	4.38

9.1 **Trade payables ageing***

Outstanding for following periods from due date of payment	**Particulars**	
	(i) MSME	**(ii) Others**
As at 31 March 2022		
Unbilled	-	-
Not due	-	-
Outstanding for following periods from due date		
Less than 1 year	-	54.73
1-2 years	-	2.70
2-3 years	-	0.30
More than 3 years	-	-
Total	-	57.73
As at 31 March 2021		
Unbilled	-	-
Not due	-	-
Outstanding for following periods from due date		
Less than 1 year	-	4.08
1-2 years	-	0.30
2-3 years	-	-
More than 3 years	-	-
Total	-	4.38

*There are no disputed Trade payables as at 31 March 2022 and 31 March 2021

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Piramal Alternatives Private Limited
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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

10	Borrowings (other than debt securities)	As at 31 March 2022	As at 31 March 2021
	From related parties		
	Piramal Enterprises Limited (refer note 26(b)(i))	1,540.00	1,070.00
	Total	**1,540.00**	**1,070.00**

Terms of repayment and rate of interest for unsecured borrowings

	Terms of Repayment	Rate of Interest
1. Loan from Piramal Enterprises Limited	Loan is required to be paid within 15 days from end of the Loan term i.e. on or before 15-November-2022	The Lender shall be entitled to charge an arm's length interest at rates as may be agreed between the parties

Note: The effective cost for the above loans is 11.54% per annum (previous year 11.54% per annum)

11	Lease liability	As at 31 March 2022	As at 31 March 2021
	Lease liability (refer note 27)	268.66	-
	Total	**268.66**	**-**

12	Other financials liabilities	As at 31 March 2022	As at 31 March 2021
	Employee benefits payable	510.88	15.00
	Total	**510.88**	**15.00**

13	Provisions	As at 31 March 2022	As at 31 March 2021
	Gratuity (refer note 23(c))	68.05	-
	Leave encashment	43.83	8.71
	Total	**111.88**	**8.71**

14	Other non-financial liabilities	As at 31 March 2022	As at 31 March 2021
	Statutory dues payable	29.49	3.76
	GST payable (net)	6.90	5.11
	Total	**36.39**	**8.87**

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Piramal Alternatives Private Limited
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Notes to the Financial Statements ***(Continued)***
(Currency: Indian rupees in lakhs)

15 Equity Share capital	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
1,000,000 (Previous year 1,000,000) equity shares of Rs. 10 each	100.00	100.00
Total	100.00	100.00
Issued, subscribed and paid up capital		
1,000,000 (Previous year 1,000,000) equity shares of Rs.10 each fully paid up	100.00	100.00
Total	100.00	100.00

15.1 Fully paid equity shares

	Number	Amount
Balance as at 01 April 2020	10,00,000	100.00
Add: Issued during the year	-	-
Balance as at 31 March 2021	10,00,000	100.00
Add: Issued during the year	-	-
Balance as at 31 March 2022	10,00,000	100.00

15.2 Shares held by holding company

	As at 31 March 2022 Amount	As at 31 March 2021 Amount
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited 1,000,000 (31 March 2021- 1,000,000) Equity shares (including nominee director)	100.00	100.00
	100.00	100.00

15.3 Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2022 Number	As at 31 March 2021 Number
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited (100% holding company)	10,00,000	10,00,000

15.4 Details of shareholding of Promoters in the Company

	As at 31 March 2022			As at 31 March 2021		
	No of Shares	% of Total Shares	% Change during the year	No of Shares	% of Total Shares	% Change during the year
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited	10,00,000	100.00%	-	10,00,000	100.00%	-
Total	10,00,000	100.00%	-	10,00,000	100.00%	-

15.5 Rights, preferences and restrictions attached to shares

Equity shares

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 restrictions on payment of dividend to equity shareholders. On winding up of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

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PIRAMAL ALTERNATIVES PRIVATE LIMITED

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

16	Other equity	As at 31 March 2022	As at 31 March 2021
	Retained earnings	(1,724.93)	(612.55)
		(1,724.93)	(612.55)

16.1	Retained earnings	As at 31 March 2022	As at 31 March 2021
	Opening balance	(612.55)	(571.80)
	Net (loss) for the year	(1,035.67)	(43.76)
	Other comprehensive income for the year	(76.71)	3.01
	Total	(1,724.93)	(612.55)

The amount that can be distributed by the company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. No dividend

17	Other income	For the year ended 31 March 2022	For the year ended 31 March 2021
	Provision no longer required	-	59.50
	Income on investments	25.18	20.50
	Gain on sale of mutual fund	0.22	0.09
	Miscellaneous balance written back	0.10	-
	Interest on Income Tax Refund	0.60	-
			-
	Total	26.10	80.09

18	Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
	Interest on borrowings (refer note 26(b))	144.08	109.39
	Interest on lease liability (refer note 27)	13.36	-
	Total	157.44	109.39

19	Employee benefits	For the year ended 31 March 2022	For the year ended 31 March 2021
	Salaries, wages and bonus	959.92	98.23
	Contribution to provident fund	14.17	5.80
	Staff welfare expenses	0.49	-
	Gratuity expense (refer note 23(e))	1.83	2.78
	Total	976.41	106.82

20	Depreciation and amortisation	For the year ended 31 March 2022	For the year ended 31 March 2021
	Depreciation on tangible fixed assets	5.75	-
	Depreciation on Right-of-use assets	20.66	-
	Total	26.41	-

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Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Notes to the Financial Statements (Continued)
(Currency: Indian rupees in lakhs)

21	**Other Expenses**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Professional fees	61.54	9.80
	Travelling expenses	-	1.64
	Office expenses	13.13	-
	Royalty charge (refer note 26(b)(iii))	1.30	-
	Rates and taxes	2.45	0.73
	Communication	2.83	1.50
	Printing and stationery	0.02	0.07
	Auditors' remuneration (refer note 28)	3.05	1.50
	Insurance	0.39	0.15
	Miscellaneous expenses	0.53	0.41
	Total	85.24	15.80

22 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:

Particulars		**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
(Loss) attributable to equity holders for basic and diluted earnings	A	(1,035.66)	(43.76)
Weighted average number of Equity shares for basic EPS	B	10,00,000	10,00,000
Effect of dilution:		-	-
Weighted average number of Equity shares adjusted for the effect of dilution	C	10,00,000	10,00,000
Earnings per share			
- Basic	A/B	(103.57)	(4.38)
- Diluted	A/C	(103.57)	(4.38)
Nominal value of shares		10.00	10.00

The basic and diluted EPS is same as there are no potential dilutive equity shares.

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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

23 Employee benefits :

I. Defined contribution plan

The Company's defined contribution plans are Provident Fund & Gratuity Fund. The Company has no further obligation beyond making the contributions to such plans.
Charge to the statement of profit and loss based on contributions:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's contribution to provident fund	13.62	5.52

Disclosures for defined benefit plans based on actuarial valuation reports as on 31 March 2022
The Company has scheme for gratuity as part of post retirement plan. A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

A. Change in defined benefit obligation

	(Funded) Gratuity For the year ended 31 March 2022	(Funded) Gratuity For the year ended 31 March 2021
Present Value of Defined Benefit Obligation as at beginning of the year	7.38	6.98
Interest Cost	0.46	0.46
Current Service Cost	1.84	2.32
Past Service Cost	-	-
Contributions by the employees	-	-
Liability Transferred In for employees joined	-	-
Liability Transferred Out for employees left	-	-
Benefits Paid	(10.26)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.03	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(3.34)	0.20
Actuarial (Gains)/Losses on Obligations - Due to Experience	80.07	(2.59)
Present Value of Defined Benefit Obligation as at the end of the year	76.18	7.38

B. Change in fair value of plan assets

	(Funded) Gratuity For the year ended 31 March 2022	(Funded) Gratuity For the year ended 31 March 2021
Fair Value of Plan Assets at the Beginning of the Period	7.61	-
Interest Cost	0.48	-
Contributions by the Employer	-	6.98
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	0.05	0.62
Fair Value of Plan Assets at the End of the Period	8.13	7.61

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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

23 Employee benefits *(Continued)* :

C. Amount recognised in the Balance Sheet

	(Funded) Gratuity As at 31 March 2022	(Funded) Gratuity As at 31 March 2021
Present Value of Defined Benefit Obligation as at the end of the year	(76.18)	(7.38)
Fair Value of Plan Assets as at end of the year	8.13	7.61
Net (Liability) /Asset recognised in the Balance Sheet (Refer Note 11)	(68.05)	0.23
		-
Recognised under:		-
Non-current asset/ (liability)	(48.30)	-
Current asset/ (liability)	(19.75)	0.23

D. Net interest cost for current year

	(Funded) Gratuity For the year ended 31 March 2022	(Funded) Gratuity For the year ended 31 March 2021
Present Value of Benefit Obligation as at the beginning of the year	7.38	6.98
(Fair Value of Plan Assets at the Beginning of the Period)	(7.61)	-
Net Liability/(Asset) at the Beginning	(0.23)	6.98
Interest Cost	0.46	0.46
Interest Income	(0.48)	-
Net Interest Cost for Current Year	(0.01)	0.46

E. Expenses recognised in Statement of Profit and Loss

	(Funded) Gratuity For the year ended 31 March 2022	(Funded) Gratuity For the year ended 31 March 2021
Current Service Cost	1.84	2.32
Past Service Cost	-	-
Interest Cost	(0.01)	0.46
Expected Return on Plan Assets	-	-
Curtailments Cost / (Credit)	-	-
Settlements Cost / (Credit)	-	-
Net Actuarial (gain) / loss	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss	1.83	2.78

F. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (Gains)/Losses on Obligation For the Period	76.77	(2.39)
Return on Plan Assets, Excluding Interest Income	(0.05)	(0.62)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	76.71	(3.01)

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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

23 Employee benefits *(Continued)* :

G. Total amount recognized in Other Comprehensive Income consists of:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement (gains)/losses	76.71	(3.01)

H. Principal actuarial assumptions used:

	(%) (Funded) Gratuity For the year ended 31 March 2022	(%) (Funded) Gratuity For the year ended 31 March 2021
Expected Rate of return on Plan Assets (per annum)	6.84%	6.26%
Discount Rate (per annum)	6.84%	6.26%
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)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

I. Other Details

	As at 31 March 2022	As at 31 March 2021
Number of Members	11	3
Per Month Salary For Members	19.75	3.93
Weighted Average Duration of the Projected Benefit Obligation	9	11
Average Expected Future Service (Years)	7	6
Defined Benefit Obligation (DBO)	76.18	7.38
Prescribed Contribution For Next Year (12 Months)	19.75	1.61

J. Balance Sheet Reconciliation

	As at 31 March 2022	As at 31 March 2021
Opening Net Liability	(0.23)	6.98
Expenses Recognized in Statement of Profit or Loss	1.83	2.78
Expenses Recognized in OCI	76.71	(3.01)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(10.26)	-
(Employer's Contribution)	-	(6.98)
Net Liability/(Asset) Recognized in the Balance Sheet	68.05	(0.23)

K. Net Interest Cost for Next Year

	As at 31 March 2022	As at 31 March 2021
Present Value of Benefit Obligation at the End of the Period	76.18	7.38
(Fair Value of Plan Assets at the End of the Period)	(8.13)	7.61
Net Liability/(Asset) at the End of the Period	68.05	(0.23)
		-
Interest Cost	5.21	0.46
(Interest Income)	(0.56)	(0.48)
Net Interest Cost for Next Year	4.65	(0.01)

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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

23 **Employee benefits *(Continued)*:**

L. Expenses Recognized in the Statement of Profit or Loss for Next Year

	As at 31 March 2022	As at 31 March 2021
Current Service Cost	9.86	1.84
Net Interest Cost	4.65	(0.01)
(Expected Contributions by the Employees)	-	-
Expenses Recognized	14.51	1.83

M. Sensitivity Analysis

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31 March 2022	As at 31 March 2021
Projected Benefit Obligation on Current Assumptions	76.18	7.38
Delta Effect of +1% Change in Rate of Discounting	(5.20)	(0.65)
Delta Effect of -1% Change in Rate of Discounting	5.91	0.75
Delta Effect of +1% Change in Rate of Salary Increase	5.73	0.73
Delta Effect of -1% Change in Rate of Salary Increase	(5.15)	(0.64)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.82)	(0.20)
Delta Effect of -1% Change in Rate of Employee Turnover	0.90	0.22

N. Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31 March 2022	As at 31 March 2021
Projected Benefit Obligation on Current Assumptions		
1st Following Year	9.46	0.01
2nd Following Year	6.18	0.64
3rd Following Year	6.14	0.63
4th Following Year	6.02	0.62
5th Following Year	5.91	0.60
Sum of Years 6 to 10	27.86	2.85
Sum of Years 11 and above	77.59	9.65

Notes:

Gratuity is payable as per Company's scheme as detailed in the report.

The Company has a defined benefit gratuity plan in India (funded). The entity'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 a 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.

During the year, there were no plan amendments, curtailments and settlements.

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 & attrition rate are in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

These plans typically expose the Company to actuarial risks such as: interest rate risk, salary risk, investment risk, asset liability matching risk, mortality risk and concentration 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.

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Notes to the Financial Statements *(Continued)*
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23 Employee benefits *(Continued)* :

Interest risk

A fall in the discount rate, which is linked to the government securities rate, will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk

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

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 securities. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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24 Fair Value Disclosures

a)

Categories of Financial Instruments:	For the year ended 31 March 2022 FVTPL	FVTOCI	Amortised Cost*	For the year ended 31 March 2021 FVTPL	FVTOCI	Amortised Cost*
Financial Assets						
Investments	499.00	-	-	500.00	-	-
Cash & Bank Balances	-	-	5.00	-	-	63.00
Other Receivables	-	-	14.00	-	-	-
Total Financial Assets	499.00	-	19.00	500.00	-	63.00
Financial liabilities						
Borrowings	-	-	1,540.00	-	-	1,070.00
Trade Payables	-	-	58.00	-	-	4.00
Other Financial Liabilities	-	-	511.00	-	-	15.00
Total Financial Liabilities	-	-	2,109.00	-	-	1,089.00

b) **Fair Value Hierarchy and Method of Valuation**

Particulars	For the year ended 31 March 2022 Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments	499.00	-	-	499.00	499.00

Particulars	For the year ended 31 March 2021 Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments	500.00	-	-	500.00	500.00

Notes:

* The Company has not disclosed the fair value of cash and cash equivalent, trade receivable, other receivables, borrowings, 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 March 31, 2022

Particulars	Investments	Total
As at 01 April 2020	600.00	600.00
Additions	-	-
Deletions	100.00	100.00
As at 31 March 2021	500.00	500.00
Additions	-	-
Deletions	-	-
Loss on fair valuation	(0.91)	(0.91)
As at 31 March 2022	499.09	499.09

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Notes to the Financial Statements *(Continued)*
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25 Fair Value Disclosures

1) 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 current capital structure of the Company consists of only equity.
The Company is currently managing 1 scheme with current AUM of Rs.65,500 lacs and with the target to achieve AUM of Rs.2,14,700 lacs.
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 capital components of the Company are as given below:

	As at 31 March 2022	As at 31 March 2021
Total Equity	**100.00**	100.00
Borrowings	**1,540.00**	1,070.00
Total Debt	**1,540.00**	**1,070.00**
Cash & Cash equivalents	**(4.51)**	(62.78)
Net Debt	1,535.49	**1,007.22**
Total debt (net) to equity ratio	15.35	**10.07**

2) 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 manage its liquidity risk by maintaining adequate reserves 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 31 March 2022 has been considered. The contractual maturity is based on the earliest date on which the Company may be required to

Maturities of Financial Liabilities	As at 31 March 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	1,540.00	-	-	-
Trade Payables	57.73	-	-	-
Other Financial Liabilities	510.88	-	-	-
	2,108.61	-	-	-

Maturities of Financial Liabilities	As at 31 March 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	-	1,070.00	-	-
Trade Payables	4.38	-	-	-
Other Financial Liabilities	35.00	-	-	-
	39.38	1,070.00	-	-

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Piramal Alternatives Private Limited

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

25 Fair Value Disclosures (Continued)

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	As at 31 March 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments	-	-	-	499.09
Cash and Cash equivalents	4.51	-	-	-
Other Receivables	14.36	-	-	-
	18.87	-	-	499.09

Maturities of Financial Assets	As at 31 March 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments	-	-	-	500.00
Cash and Cash equivalents	62.78	-	-	-
Other Receivables	0.34	-	-	-
	63.12	-	-	500.00

3) Market Risk

a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with financial institutions and other financial instruments.

Other receivables

The receivables of the Company are from advisory services funds.
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.
Outstanding customer receivables are regularly monitored.

Financial instruments and cash

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.

4) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risks. Legal risk includes, but is not limited to, exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as private settlements. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. Operational risk is sought to be mitigated by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking regular contingency planning.

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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

26 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party

(a) Name of related parties

Holding company
Piramal Enterprises Limited

Fellow subsidiary company
PHL Fininvest Private Limited
Piramal Capital & Housing Finance Limited
Piramal Pharma Limited

Jointly Controlled Entity
Piramal Structured Credit Opportunities Fund

Other related parties where common control exists
Piramal Corporate Services Private Limited

(b) i. Transactions with holding company

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on loan		
Piramal Enterprises Limited	144.08	90.10
Piramal Capital & Housing Finance Limited	-	19.30
Total	**144.08**	**109.39**
Loan Taken		
Piramal Enterprises Limited	470.00	1,070.00
Piramal Capital & Housing Finance Limited	-	900.00
Total	**470.00**	**1,970.00**
Loan Repaid		
Piramal Enterprises Limited	-	1,040.00
Piramal Capital & Housing Finance Limited	-	900.00
Total	-	**1,940.00**

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding balance payable		
Piramal Enterprises Limited	1,540.00	1,070.00
Total	**1,540.00**	**1,070.00**

(b) ii. Transactions with fellow subsidiary company

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consultancy Fees Received		
PHL Fininvest Private Limited	41.15	-
Rent Paid		
Piramal Pharma Limited	43.11	-
Insurance Expenses Paid	-	
Piramal Capital & Housing Finance Limited	1.60	-
Total	**85.86**	-

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding balance payable		
Piramal Pharma Limited	43.11	-
Total	**43.11**	-

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Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

26 Related Party Disclosures (Continued)

(b) iii. Transactions with Jointly Controlled Entity

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Management Fees Received		
Piramal Structured Credit Opportunities Fund	146.54	108.16
Portfolio Income Received	-	-
Piramal Structured Credit Opportunities Fund	25.18	20.50
Total	171.72	128.65

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding balance receivable		
Piramal Structured Credit Opportunities Fund	32.06	20.58
Total	32.06	20.58

(b) iv. Transactions with other related parties where common control exists

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Royalty Charges Paid		
Piramal Corporate Services Private Limited	1.30	-
Total	1.30	-

	As at 31 March 2022	As at 31 March 2021
Outstanding balance payable		
Piramal Corporate Services Private Limited	0.60	-
Total	0.60	-

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

27 Leases

During the year ended 31 March 2022, the Company has taken office premises on lease. The lease period of these contract was 5 years. The right-of-use assets and lease liabilities as disclosed below, do not include short term and low value leases. In general, as usual with leases, the Company's obligations under its leases are secured by the lessor's title to or legal ownership of the leased assets.

a) Right-of-use assets
The movement in right-of-use assets has been disclosed in Note 7(b).

b) Lease liabilities

Movement in lease liabilities	As at 31 March 2022	As at 31 March 2021
Opening balance	-	-
Additions during the year	282.00	-
Deletion during the year	-	-
Finance expense	13.00	-
Payment of lease liabilities	(26.28)	-
Closing balance	268.72	-
c) Classification of current and non current		
Current	42.33	-
Non current	226.39	-
Total	268.72	-

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

As at 31 March 2022

Lease liability	Lease payments	Finance charges	Net present value
Later than one year	280.12	53.79	226.33
Not later than one year	71.14	28.81	42.33
Total undiscounted lease liabilities	351.26	82.60	268.66

As at 31 March 2021

Lease liability	Lease payments	Finance charges	Net present value
Later than one year	-	-	-
Not later than one year	-	-	-
Total undiscounted lease liabilities	-	-	-

e) As at 31 March 2022, there are no commitments for short term leases (31 March 2021 : Nil).

f) Amounts recognised in profit and loss	For the year ended 31 March 2022
Amortization of right-of-use asset	20.66
Interest expense on lease liabilities	13.36
Total	34.02

Amounts recognised in profit and loss	For the year ended 31 March 2021
Amortization of right-of-use asset	-
Interest expense on lease liabilities	-
Total	-

g) The total cash outflow for leases amount to Rs.26,28,213 (31 March 2021 : Nil).

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

PIRAMAL ALTERNATIVES PRIVATE LIMITED

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

28 Auditors' remuneration (excluding taxes)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
Statutory audit	3.00	1.50
Total	3.00	1.50

29 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Trade payable include Rs. Nil (previous year Rs. Nil) amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED). Under the MSMED which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due there on	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting	-	-

30 Contingent liabilities and commitments

There are no contingent liabilities as at the balance sheet date. (31 March 2021 : Nil)

31 The Company has incurred significant losses in the past and in current year, arising mainly on account of high cost of salaries and finance costs since the Company was in early stages of fund management business. This has resulted in complete erosion of net worth of the Company. Further, the Company has also reported a negative net current assets position as on the balance sheet date (significant current liabilities include loan payable to Holding Company). The continuous losses have adversely affected the cash flows of the Company. However, the management continues to adopt the going concern assumption in preparing the financial statements as of for the period year ending ended 31 March 2022 based on the basis of following factors:

(i) The Parent Company, Piramal Enterprises Limited (PEL), has provided financial assistance by way of credit line in form of Inter Corporate Deposits ('ICD') for an amount not exceeding Rs. 5,000 Lacs, in one or more tranches. As on 31 March 2022, the Company has availed ICD of Rs. 1,540 Lacs out of such facility provided by the Holding Company.

(ii) The Company is planning to launch 2-3 new Funds with combined AUM of Rs.6,60,000 lacs in a phased manner over a period of 3-5 years and has also filed an application to Securities and Exchange Board of India (SEBI) for grant of registration of Category II Alternative Investment Fund (AIF) in accordance with SEBI (AIF) Regulations, 2012, for which management fees is expected to accrue from FY 2022-23. As on date, the Company is awaiting approval from SEBI.

Accordingly, the Company believes would be profitable in future years and also streamlines its working capital. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations.

32 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source 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 :

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

PIRAMAL ALTERNATIVES PRIVATE LIMITED

CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Notes to the Financial Statements *(Continued)*
(Currency: Indian rupees in lakhs)

33 Deferred tax asset

Deferred tax asset is recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward losses can be utilized. In view of tax losses carry forward as at 31 March 2022, the management is not able to demonstrate convincing evidence that sufficient taxable income will be available against which deferred tax asset on deductible temporary difference can be realised. Accordingly, the Company did not record any deferred tax asset as at 31 March 2022.

34 Figures for the previous years have been regrouped wherever necessary to confirm to current year's presentation.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/500013

Sudhir Pillai

Sudhir N. Pillai
Partner
Membership No:105782

Mumbai
Date: 10.05.2022

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Piramal Alternatives Private Limited
(Formerly known as Piramal Asset Management Private Limited)

Anand A. Piramal
Director
DIN: 00286085

Mumbai
Date: 10.05.2022

Kalpesh Kikani
Director
DIN: 03534772

PIRAMAL ALTERNATIVES PRIVATE LIMITED

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 REPORT

To The Members of
Piramal Securities Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Piramal Securities Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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 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), changes in equity and its cash flows 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 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 financial statements.

Information Other than the 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's Report including Annexures to the Board report, but does not include the financial statement 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.

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

Responsibilities of Management and those charged with Governance 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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 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 financial statements or, if such disclosures are inadequate, to modify our opinion.

LODHA & CO. MUMBAI-01 Chartered Accountants

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 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.

Other Matter

The opening balances as of 1st April 2021 has been taken based on the financial statements for the year ended 31st March 2021 audited by the predecessor independent auditor who vide their report dated 3rd May 2021 have expressed an unmodified opinion.

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), Statement of Changes in Equity and the Cash Flow Statement 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".

LODHA & CO. MUMBAI-01 Chartered Accountants

(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, The Company being a private limited Company, Section 197 of the Act is not applicable.

(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:

i. The Company does not have any pending litigations as on 31st March, 2022.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

ii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

iii. 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 to 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 to 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.

iv. 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: 22044101ALAFDD7194

Place: Mumbai
Date: May 24, 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 Piramal Securities 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-to-use assets.

B. The Company does not have any Intangible Assets as on 31st March, 2022.

b. The Company has a programme of physical verification of its PPE by which all PPE are verified on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size and the nature of business. During the year, the Company has not carried out the physical verification of PPE and 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 hold any immovable property and hence reporting under clause 3(i)(c) of the order is not applicable to the Company.

d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible 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, neither any proceedings have been initiated during the year nor 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.

ii. a. The Company is in the business of providing financial services and does not have any physical 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 does not have any sanctioned working capital at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is 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 has not provided any loans or advances in the nature of loans or guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) is not applicable to the Company.

(b) According to the information and explanations given to us, the investment made are in the ordinary course of business and in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable with respect to the investments made during the year. The Company has not provided any loans, guarantee and security during the year.

LODHA & CO. MUMBAI-01 Chartered Accountants

v. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, 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. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act or any other relevant provisions of the Act and rules framed there under and hence reporting under 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 generally 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 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.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of records of the Company, 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 taken any borrowings during the year and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) 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 records, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements, in our opinion the Company has not taken any short-term loan during the year.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company does not have any subsidiaries, associates or joint venture and hence reporting under clause 3(ix)(e) and (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 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.

(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 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 is not applicable to the Company.

LODHA & CO. MUMBAI-01 Chartered Accountants

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.

(c) Based on our audit procedure performed and according to the information and explanations given to us, the Section 177(9) of the Act is not applicable and hence reporting under 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 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard. The Section 177 of the Act is not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, as the Company's turnover is less than 200 crores and it does not have any borrowings from banks/ financial institutions, provision of Section 138 of the Act is not applicable and hence reporting under clause 3(xiv)(a) and 3(xiv(b) of the order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of 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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) 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 immediately preceding financial year.

xviii. There has been 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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year 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: 22044101ALAFDD7194

Place: Mumbai
Date: May 24, 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 Piramal Securities 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 Piramal Securities Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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.

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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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: 22044101ALAFDD7194

Place: Mumbai
Date: May 24, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Securities Limited

Balance Sheet
as at 31 March 2022

(Currency : Rs in lakhs)

			Note	As at 31 March 2022	As at 31 March 2021
ASSETS					
1	**Financial assets:**				
(a)		Cash and cash equivalents	3	1,261	1,641
(b)		Investments	4	482	-
2	**Non-financial assets:**				
(a)		Current tax assets (net)	5	175	71
(b)		Property, plant and equipment	6	1	1
(c)		Other non-financial assets	7	42	24
Total Assets				**1,961**	**1,737**
LIABILITIES AND EQUITY					
	Liabilities				
1	**Financial liabilities:**				
(a)		Trade payables	8		
		(i) Total outstanding dues to micro and small enterprises		0	-
		(ii) Total outstanding dues to creditors other than micro and small enterprises		18	14
(b)		Other financial liabilities	9	189	24
2	**Non- financial liabilities:**				
(a)	Provisions		10	15	37
(b)	Other non- financial liabilities		11	85	155
Total Liabilities				307	230
3	**Equity**				
(a)		Equity share capital	12	4,200	4,200
(b)		Other equity	13	(2,546)	(2,693)
Total Equity				1,654	1,507
Total Liabilities and Equity				**1,961**	**1,737**

Significant accounting policies *2*

The notes no 1 to 26 form an integral part of the financial statements.

As per our report of even date attached.

For Lodha & Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
Date: May 24, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

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

Lalit Ostwal
Managing Director
DIN No.: 09141814

Khushru Jijina
Director
DIN No.: 00209953

Charu Garg Kalita
Chief Financial Officer

Ruchi Sheth
Company Secretary

PIRAMAL SECURITIES LIMITED MUMBAI

Piramal Securities Limited

Statement of profit and loss
for the year ended 31 March 2022
(Currency : Rs in lakhs)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	14		
Fees and commission income		1,030	1,007
Total revenue from operations		**1,030**	1,007
Other income	15	28	27
Total income		**1,058**	**1,034**
Expenses			
Finance costs	16	0	0
Employee benefits expenses	17	876	871
Depreciation, amortization and impairment	6	1	3
Other expenses	18	62	108
Total expenses		**940**	**983**
Profit / (Loss) before tax		**118**	**51**
Tax expense:			
- Current tax		-	6
Profit for the year		**118**	**45**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability		28	16
Total comprehensive income/(loss) for the year		**146**	**61**
Earning per equity share (basic and diluted) (face value INR10)	19	*0.28*	***0.11***
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For Lodha & Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
Date: May 24, 2022

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

Lalit Ostwal
Managing Director
DIN No.: 09141814

Khushru Jijina
Director
DIN No.: 00209953

Charu Garg Kalita
Chief Financial Officer

Ruchi Sheth
Company Secretary

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

Piramal Securities Limited

Statement of Cash flows

for the year ended 31 March 2022

(Currency : Rs in Lakhs)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flows from operating activities			
Profit / (loss) before tax		**118**	**51**
Adjustments:			
Profit on sale of investments in mutual fund units		(5)	(7)
Fair valuation gain on investments measured at FVTPL		(12)	-
Interest income from Fixed Deposits		(11)	(20)
Finance costs - expenses		0	0
Finance costs - paid		(0)	(0)
Depreciation and amortisation		1	3
Operating cash flow before working capital changes		**92**	**28**
Decrease / (Increase) in Other non-financial assets		(18)	7
Increase / (Decrease) in trade payables		4	0
(Decrease) in other financial liabilities		165	(137)
(Decrease) / Increase in provisions		7	(32)
Increase in other non financial liabilities		(70)	130
Cash used in operations		**179**	**(3)**
Less: Income taxes paid		(103)	(73)
Net cash used in operating activities (a)		**76**	**(77)**
B Cash flows from investing activities			
Property, plant and equipments purchased		(2)	-
Investments in mutual funds		(875)	(268)
Proceeds from redemptions of mutual funds		410	498
Interest income from fixed deposits		11	20
Net cash generated / (used) in investing activities (b)		**(456)**	**249**
C Cash flows from financing activities			
Proceeds from borrowings		20	120
Borrowings repaid		(20)	(120)
Proceeds from issue of equity share		-	500
Net cash from financing activities (c)		**-**	**500**
Net increase / (decrease) in cash and cash equivalents (a+b+c)		**(380)**	**673**
Cash and cash equivalents as at beginning of the year		1,641	968
Cash and cash equivalents as at end of the year		**1,261**	**1,641**
Cash and cash equivalents comprise of:			
Balances with banks (current account)	3	757	1,132
Balances with banks (deposits maturing within 3 months)		504	509
		1,261	**1,641**

The notes referred to above form an integral part of the 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

Mumbai
Date: May 24, 2022

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

Lalit Ostwal
Managing Director
DIN No.: 09141814

Khushru Jijina
Director
DIN No.: 00209953

Charu Garg Kalita
Chief Financial Officer

PIRAMAL SECURITIES LIMITED MUMBAI

Ruchi Sheth
Company Secretary

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Piramal Securities Limited

Statement of changes in equity
as at 31 March 2022

(Currency : Rs in Lakhs)

A. Equity share capital:

Particulars	Amount
Balance as at April 1, 2020	3,700
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	3,700
Changes in equity share capital during the year ended March 31, 2021	500
Balance as at April 1, 2021	4,200
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	4,200
Changes in equity share capital during the year ended March 31, 2022	-
Balance as at March 31, 2022	4,200

B. Other equity:

Particulars	Total
Reserves and surplus / (deficit) in statement of P &L	
Balance as at April 1, 2020	(2,754)
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2020	(2,754)
Add: Profit during the year	61
Balance as at April 1, 2021	(2,693)
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2021	(2,693)
Add: Profit during the year	146
Balance as at March 31, 2022	(2,547)

As per our report of even date attached.

For Lodha & Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
Date: May 24, 2022

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

Lalit Ostwal
Managing Director
DIN No.: 09141814

Khushru Jijina
Director
DIN No.: 00209953

Charu Garg Kalita
Chief Financial Officer

Ruchi Sheth
Company Secretary

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

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1. General Information

Piramal Securities Limited ('the Company') was incorporated under the Companies Act, 2013 on 7 June 2018 with its registered and operational office in Mumbai to carry on the merchant banking business in India.
The Company was registered as a merchant banking company with the Securities Exchange Board of India ("SEBI") on 25 January 2019.

2. Significant Accounting Policies

i) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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.

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

ii) Basis of Accounting

The 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 year.

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) 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.
All 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:

Computer - End user device	3 years

iv) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that 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.

LODHA & CO MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

2. Significant Accounting Policies (Continued)

v) 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 statement of profit and 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).

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.

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

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

(Currency : Rs in lakhs)

2. Significant Accounting Policies (Continued)

v) Financial instruments (Continued)

Financial liabilities and equity instruments

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.

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.

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.

vi) 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.

The liability or asset recognised in the balance sheet in respect of gratuity plan 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 acturies using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rs. is determined by discounting the estimated future cash outflows by reference to maket 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 the plan assets. The cost is included in employee benfit expense in statement of profit and loss.

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

(Currency : Rs in lakhs)

2. Significant Accounting Policies (Continued)

vii) 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 occurence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

viii) Revenue recognition

Interest on Fixed Deposits (FD) is recognised on time proportion basis taking in to account the amount outstanding and the rate applicable.

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).

Arranger fees / Asset monitoring fees income is accounted for on accrual basis.

ix) 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.

x) Leases

Effective April 01, 2019, IND AS 116 Leases have been applied to all contract existing on Apirl 01, 2019 using the modified retrospective method of transition. The Lessee recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for all lease contracts.
In the statement of profit and loss lessees recognises present interest expense on the lease liability and depreciation on the right-of-use asset.

However, the company has opted for exemption for all lease which has a lease period of less than 12 months or do not have purchase option and the underlying assets is of low value when it is new. Accordingly, the related lease payments as recognised as an expense on a straight-line basis over the lease term.

xi) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

xii) 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

2. Significant Accounting Policies (Continued)

xiii) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense on effective interest rate basis.

xiv) 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.

xv) Significant accounting judgements, estimates and assumptions

The preparation of the companies financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements - In the process of applying the companies accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Business model assessment - Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The company determines the business model at a level that reflects how companies of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the companies continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

Fair value of financial instruments - The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

PIRAMAL SECURITIES LIMITED MUMBAI

LODHA & CO. MUMBAI-01 Chartered Accountants

(Currency : Rs in lakhs)

		As at 31 March 2022	As at 31 March 2021
3	**Cash and cash equivalents**		
	Balances with banks in current accounts	757	1,132
	Fixed deposits (with maturity less than 3 months)	504	509
		1,261	**1,641**
4	**Investments**		
	Investments within India		
	Instruments measured at Fair Value through Profit & Loss		
	Quoted Investments		
	Investment in mutual funds	482	-
		482	**-**

Note : The company is having units as on 31st March 22 423,689.176

5	**Current tax assets (net)**		
	Advance Tax (net of provision of Rs. 7,99,966, 31 March 2021 Rs. 5,84,588/-)	175	71
		175	**71**

PIRAMAL SECURITIES LIMITED MUMBAI

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Securities Limited

Notes to the financial statements (Continued)
as at 31 March 2022

(Currency : Rs in lakhs)

6 Property, plant and equipment

Description	Gross Block				Depreciation / amortisation				Net Block
	As at 1 April 2021	Addtions during the year	Deductions during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deductions during the year	As at 31 March 2022	As at 31 March 2022
Computer	11	2	-	12	10	1	-	11	1
	11	**2**	**-**	**12**	**10**	**1**	**-**	**11**	**1**

Description	Gross Block				Depreciation / amortisation				Net Block
	As at 1 April 2020	Addtions during the year	Deductions during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deductions during the year	As at 31 March 2021	As at 31 March 2021
Computer	11	-	-	11	7	3	-	10	1
	11	-	-	11	7	3	-	10	1

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PIRAMAL SECURITIES LIMITED MUMBAI

Piramal Securities Limited
Notes to the financial statements (Continued)
as at 31 March 2022

(Currency : Rs in lakhs)

		As at 31 March 2022	As at 31 March 2021
7	**Other non-financial assets**		
	Prepaid expenses	-	1
	Advance to vendors	7	6
	Advance to employees	0	0
	Gratuity Fund	34	17
		42	**24**
8	**Trade payables**		
	Trade payables		
	(i) Total outstanding dues to micro and small enterprises	0	-
	(ii) Total outstanding dues to creditors other than micro and small enterprises	18	14
		18	**14**

Outstanding for following periods from the due date

Trade Payable as at 31.03..2022	Not Due	Less then 12 months	1yr-2yr	2yr-3yr	3 yr and above
MSME	-	0	-	-	-
Others	-	18	-	-	-
Disputed dues -MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	-	18	-	-	-

Trade Payable as at 31.03..2021	Not Due	Less then 12 months	1yr-2yr	2yr-3yr	3 yr and above
MSME	-	-	-	-	-
Others	-	14	-	-	-
Disputed dues -MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total	-	14	-	-	-

		As at 31 March 2022	As at 31 March 2021
9	**Other financial liabilities**		
	Payable to employees	189	24
		189	**24**
10	**Provisions**		
	Provision for leave encashment	15	37
		15	**37**
11	**Other non- financial liabilities**		
	Statutory dues payable	85	155
		85	**155**

PIRAMAL SECURITIES LIMITED MUMBAI

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Securities Limited

Notes to the financial statements (Continued)

as at 31 March 2022

(Currency : Rs in lakhs)

		As at 31 March 2022	As at 31 March 2021
12	**Equity Share Capital**		
	Authorised share capital:		
	Opening balance		
	70,000,000 (31 March 2021: 70,000,000) equity shares of Rs.10 each	7,000	7,000
		7,000	**7,000**
	Issued, subscribed and fully paid up		
	Equity shares		
	Opening balance		
	42,000,000 (31 March 2021: 37,000,000) equity shares of Rs. 10 each	4,200	3,700
	Additions: issued during the year:		
	Nil (31 March 2021: 5,000,000) equity shares of Rs. 10 each	-	500
	Closing balance	**4,200**	**4,200**

Rights, preferences and restrictions attached to shares

Equity shares

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.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Particulars of shareholders, promoter holding more than 5% shares of a class of shares

	31 March 2022	31 March 2021
42,000,000 (31 March 2021: 42,000,000) equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited (100% holding company)	4,200	4,200
	4,200	4,200

13	**Other equity**		
	Surplus/(Deficit) in statement of P&L (refer note 13.1)	(2,546)	(2,693)
		(2,546)	**(2,693)**
13.1	**Surplus/(Deficit) in statement of P&L**		
	Opening Balance	(2,693)	(2,754)
	Net profit for the year	146	61
	Closing Balance	**(2,546)**	**(2,693)**

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

Piramal Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Rs in lakhs)

		For the year ended 31 March 2022	For the year ended 31 March 2021
14	**Revenue from operations**		
(i)	Fees and commission income		
	Processing / arranger fees	1,030	1,007
	Total fees and commission Income	**1,030**	**1,007**
	Total Revenue from operations	**1,030**	**1,007**
15	**Other Income**		
	Interest income on fixed deposits	11	20
	Interest on income tax refund	-	0
	Gain on investments measured at FVTPL		
	-Realised	5	7
	-Unrealised	12	-
		28	**27**
16	**Finance costs**		
	Interest expense	0	0
		0	**0**
17	**Employee benefits expense**		
	Salaries and wages	842	802
	Contribution to provident and other fund	24	39
	Leave encashment expenses	(6)	11
	Gratuity expenses	11	19
	Staff welfare	4	0
		876	**871**
18	**Other expenses**		
	Rates and taxes	1	2
	Rent expenses	41	81
	Payments to auditors		
	- as auditor	12	12
	- for other services	3	4
	Legal and professional fees	4	4
	Postage and communication	0	2
	Printing and stationery	0	0
	Travelling Expenses	0	1
	Miscellaneous expenses	1	3
		62	**108**

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LTD. MUMBAI

(Currency : Rs in lakhs)

19 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
The computation of earnings per share is set out below:

Description	31 March 2022	31 March 2021
Net profit / (loss) attributable to equity share	118	45
Weighted average number of equity shares outstanding during the year for calculation of EPS	4,20,00,000	3,97,26,027
Basic and Diluted EPS of face value of INR 10	0.28	0.11

The basic and diluted EPS is same as there are no potential dilutive equity shares.

20 Related party disclosure

Related party disclosures as required by Ind AS 24 - 'Related Party Disclosures' specified under section 133 of the Companies Act 2013 are given below:-

a) Holding company
Piramal Enterprises Limited

b) Fellow subsidiary company ofwith whom transactions have been carried out
Piramal Capital & Housing Finance Limited

c) Key management personnel ('KMP')
Vipul Thakore (Managing Director till 29th January 2021)
Lalit Ostwal (Managing Director from 29th April 2021)

d) Transactions and balances with related parties

Details of Transactions	For the year ended 31 March 2022	For the year ended 31 March 2021
Remuneration paid to KMP		
Vipul Thakore (till 29th January 2021)	-	271
Lalit Ostwal (from 29th April 2021)	228	-
Processing / arranger Fees		
Piramal Capital & Housing Finance Limited	1,030	1,007
Rent paid		
Piramal Capital & Housing Finance Limited	41	81
Interest Expense		
Piramal Enterprises Limited	0	0
Loan Taken		
Piramal Enterprises Limited	20	120
Loan Repaid		
Piramal Enterprises Limited	20	120
Share Capital		
Piramal Enterprises Limited	-	500

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LTD. MUMBAI

(Currency : Rs in lakhs)

21 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

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	0	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1	0
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	0
Further interest remaining due and payable for earlier years	-	-

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

22 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 assesment. 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.

23 Lease disclosure as Leasee

The Company has office premise on lease basis. The lease period is of 12 months with an option to renew the lease after that date. 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

	Land & Buildings	
	Year ended March 31, 2022	Year ended March 31, 2021
Particulars		
Opening balance	-	-
Depreciation charge for the year	-	-
Addition to right-of-use assets	-	-
Derecognition of right-of-use assets	-	-
Closing balance	-	-

ii. Amount recognised in statement of profit and loss - Lease under Ind AS - 116

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	-	-
Income from sub-leasing right-of-use assets presented in 'Other Revenue'	-	-
Expenses Related to short-term lease	41	81
Expenses related to leases of low-value assets, excluding short-term lease of low-value assets	-	-

iii. Amount recognised in standalone statement of cash flow

	Year ended March 31, 2022	Year ended March 31, 2021
Total Cashflow for lease	41	81

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LIMITED MUMBAI

(Currency : Rs in lakhs)

24 Employee benefits

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

Particulars	31 March 2022	31 March 2021
Employer's contribution to provident fund	24	39

II 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 defined benefit gratuity plan in India (funded). 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 a 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 the Present Value of Projected Benefit Obligation	31 March 2022	31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	30	44
Interest cost	2	3
Current service cost	12	16
Past Service Cost	-	-
Liability transferred in/ acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	(19)
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumption	0	-
Actuarial Losses on Obligations - Due to Change in Financial Assumptions	(0)	0
Actuarial (Gains) on Obligations - Due to Experience	(28)	(12)
Present Value of Benefit Obligation at the End of the Period	17	30

B.

Change in the Fair Value of Plan Assets	31 March 2022	31 March 2021
Fair Value of Plan Assets at the Beginning of the Period	47	-
Interest income	3	-
Contribution by the Employer	-	44
Expected contribution by the Employees	-	-
Assets transferred in / acquisition	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid From the Fund)	-	-
(Assets distributed on settlement)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Assets ceiling	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	0	4
Present Value of Benefit Obligation at the End of the Period	51	47

C.

Amount recognised in the balance sheet	31 March 2022	31 March 2021
(Present Value of Benefit Obligation at the end of the Period)	(17)	(30)
Fair Value of Plan Assets at the end of the Period	51	47
Funded Status (Surplus/ (Deficit))	34	17
Net (liability)/ asset recognised in the balance sheet	34	17

D.

Net interest cost for current year	31 March 2022	31 March 2021
Present Value of Benefit Obligation at the Beginning of the year	30	44
(Fair Value of Plan Assets at the Beginning of the year)	(47)	-
Net Liability/(Asset) at the Beginning	(17)	44
Interest Cost	2	3
(Interest Income)	(3)	-
Net Interest Cost for current year	(1)	3

LODHA & CO. MUMBAI-01 Chartered Accountants

PIRAMAL SECURITIES LTD. MUMBAI

Piramal Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Rs in lakhs)

24 Employee benefits (continued)

E.	Expense recognised in the statement of profit and loss	31 March 2022	31 March 2021
	Current service cost	12	16
	Net interest cost	(1)	3
	Past Service Cost	-	-
	(Expected Contributions by the Employees)	-	-
	(Gains)/Losses on Curtailments And Settlements	-	-
	Net Effect of Changes in Foreign Exchange Rates	-	-
	Expenses Recognized	11	19

F.	Expenses recognized in the Other Comprehensive Income (OCI) for Current Period	31 March 2022	31 March 2021
	Actuarial (Gains)/Losses on Obligation For the Period	(28)	(12)
	Return on Plan Assets, Excluding Interest Income	(0)	(4)
	Change in Asset Ceiling	-	-
	Net (Income)/Expense For the Period Recognized in OCI	(28)	(16)

G.	Total amount recognized in the Other Comprehensive Income (OCI) consists of	31 March 2022	31 March 2021
	Remeasurement (gains) / losses	-	-

H.	Principal actuarial assumptions used	31 March 2022	31 March 2021
	Expected Return on Plan Assets	6.84%	6.49%
	Discount rate	6.84%	6.49%
	Salary escalation rate	9.00%	9.00%
	Attrition rate	10.00%	10.00%
	Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

I.	Balance Sheet Reconciliation	31 March 2022	31 March 2021
	Opening net liability	(17)	44
	Expenses Recognized in Statement of Profit or Loss	11	19
	Expenses Recognized in OCI	(28)	(16)
	Net Liability/(Asset) Transfer In	-	-
	Net (Liability)/Asset Transfer Out	-	-
	(Benefit Paid Directly by the Employer)	-	(19)
	(Employer's Contribution)		(44)
	Net Liability/(Asset) Recognized in the Balance Sheet	(34)	(17)

J.	Category of Assets	31 March 2022	31 March 2021
	Government of India Assets	-	-
	State Government Securities	-	-
	Special Deposit Scheme	-	-
	Debt Instrument	-	-
	Corporate Bonds	-	-
	Cash And Cash Equivalents	-	-
	Insurance Fund	51	47
	Asset-Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-
	Total	51	47

K.	Other Details	31 March 2022	31 March 2021
	No of Active Members	5	14
	Per Month Salary For Active Members	12	25
	Weighted Average Duration of the Projected Benefit Obligation	10	11
	Average Expected Future Service	7	7
	Projected Benefit Obligation (PBO)	17	30
	Prescribed Contribution For Next Year (12 Months)	-	-

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PIRAMAL SECURITIES LTD. MUMBAI

(Currency : Rs in lakhs)

24 Employee benefits (continued)

L.

Net interest cost for next year	31 March 2022	31 March 2021
Present Value of Benefit Obligation at the End of the Period	17	30
(Fair Value of Plan Assets at the End of the Period)	(51)	(47)
Net Liability/(Asset) at the End of the Period	(34)	(17)
Interest Cost	1	2
(Interest Income)	(3)	(3)
Net Interest (Income) / Cost for Next Year	(2)	(1)

M.

Expenses Recognized in the Statement of Profit or Loss for Next Year	31 March 2022	31 March 2021
Current Service Cost	6	12
Net Interest Cost	(2)	(1)
(Expected Contributions by the Employees)	-	-
Expenses Recognized	4	11

N.

Maturity Analysis of the Benefit Payments: From the Employer	31 March 2022	31 March 2021
Projected Benefits Payable in Future Years From the Date of Reporting	-	-
1st Following Year	0	0
2nd Following Year	1	1
3rd Following Year	1	3
4th Following Year	1	3
5th Following Year	2	3
Sum of Years 6 To 10	10	13
Sum of Years 11 and above	17	40

O.

Sensitivity Analysis	31 March 2022	31 March 2021
Projected Benefit Obligation on Current Assumptions	17	30
Delta Effect of +1% Change in Rate of Discounting	(1)	(3)
Delta Effect of -1% Change in Rate of Discounting	1	3
Delta Effect of +1% Change in Rate of Salary Increase	1	3
Delta Effect of -1% Change in Rate of Salary Increase	(1)	(3)
Delta Effect of +1% Change in Rate of Employee Turnover	(0)	(1)
Delta Effect of -1% Change in Rate of Employee Turnover	0	1

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes:-

Gratuity is payable as per company's 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 & attrition rate considered are in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

In absence of specific communication as regards contribution by the entity, Expected Contribution in the New Year is considered as the sum of net liability / assets at the end of the current year and current service cost for nex year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules.

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PIRAMAL SECURITIES LIMITED MUMBAI

Piramal Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Rs in lakhs)

24 Employee benefits (continued)

Qualitative Disclosures

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contribution to be made to separetly administered fund.

The fund is managed by trust which is governed by Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the defination of the investment stratergy

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the government bonds rate will increase the present value of the liability requiring higher provision. A fall in discount rate generally increases the mark to market value of the assests depending on the duration of assets.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by the referance of market yield at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for plan in India, it has a relatively balanced mixof investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk: Plan is having a concentration risk as all the assets are invested with insurance company and a default will wipe out all the asset. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

A separate trust fund is created to managed the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

PIRAMAL SECURITIES LIMITED MUMBAI

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(Currency : Rs in lakhs)

25 Fair Value Disclosures

a)

Categories of Financial Instruments:	31 March 2022 FVTPL	31 March 2022 Amortised Cost	31 March 2021 FVTPL	31 March 2021 Amortised Cost
Financial Assets				
Investments	482	-	-	-
Cash & bank balances #	-	1,261	-	1,641
	482	**1,261**	**-**	**1,641**
Financial liabilities				
Trade payables #	-	18	-	14
Other financial liabilities #	-	189	-	24
	-	**207**	-	**38**

b) **Fair Value Hierarchy and Method of Valuation** — 31 March 2022

Financial Instruments	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Investments in Mutual Funds	i	482	482	-	-	482

Fair Value Hierarchy and Method of Valuation — 31 March 2021

Financial Instruments	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Investments in Mutual Funds	i	-	-	-	-	-

Notes:

i Market Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

\# 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.

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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PIRAMAL SECURITIES LIMITED MUMBAI

(Currency : Rs in lakhs)

25.1 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
(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,

25.2 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.

PIRAMAL SECURITIES LIMITED MUMBAI

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(Currency : Rs in lakhs)

26 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, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

The Board of Directors monitors the quality of audit function and also monitors compliance with SEBI 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 Committee of Directors of the Board ("COD") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The COD 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) liquidity risk, (ii) fraud risk and operational risk (iii) regulatory risk

26.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with financial institutions and other financial instruments.

Financial instruments and cash deposits:

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.

26.2 Fraud risk and operational risk:

The Company has an elaborate system of internal controls 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 the management and review of all the cases which are entered in the system, including corrective and remedial actions as regards people and processes.

Management 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 the Board of Directors of the company.

26.3 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.

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Piramal Securities Limited
Notes to the financial statements (Continued)
for the year ended 31 March 2022

(Currency : Rs in lakhs)

26 Risk Management (Continued)

26.4 Liquidity Risk

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 contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of Financial Liabilities	31 March 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	18	-	-	-
Other Financial Liabilities	189	-	-	-
	207	-	-	-

Maturities of Financial Liabilities	31 March 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	14	-	-	-
Other Financial Liabilities	24	-	-	-
	38	-	-	-

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 & above
Investments	482	-	-	-
	482	-	-	-

Maturities of Financial Assets	March 31, 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments	-	-	-	-
	-	-	-	-

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

Lalit Ostwal
Managing Director
DIN No.: 09141814

Khushru Jijina
Director
DIN No.: 00209953

Charu Garg Kalita
Chief Financial Officer

Ruchi Sheth
Company Secretary

LODHA & CO. MUMBAI-01 Chartered Accountants

Mumbai
Date: May 24, 2022

PIRAMAL SECURITIES LIMITED MUMBAI

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Independent Auditor's Report

To the Members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 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 a summary of the significant accounting policies and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. 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.

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5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accounting for Business Combination – Reverse merger of Dewan Housing Finance Corporation Limited as per the Resolution Plan approved by NCLT Refer note 39B to the accompanying standalone financial statements During the year ended 31 March 2022, Piramal Capital and Housing Finance Limited ('PCHFL') has been merged with Dewan Housing Finance Corporation Limited ('DHFL') with effect from 30 September 2021 in accordance with a resolution plan ('the Resolution Plan') approved by National Company Law Tribunal ('NCLT') in its order dated 7 June 2021 under Section 31 of the Insolvency and Bankruptcy Code, 2016 ('IBC') (hereinafter referred to as 'the business combination'). The aforesaid business combination has been given effect to, in the accompanying standalone financial statements, in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business Combinations, ('Ind AS 103') and other applicable Indian Accounting Standards, except to the extent as described in aforesaid note as per the accounting treatment prescribed in the Resolution Plan approved by the NCLT. Ind AS 103 read with the Resolution Plan, required recognising acquired identifiable assets (including intangible assets) and liabilities (including contingent liabilities) of DHFL at fair value in the merged financial statements. Accounting for aforesaid acquisition included a number of significant and complex judgments and management estimates including but not limited to: • Determination of accounting acquirer and accounting acquiree; • Determination of the fair value of consideration transferred; • Allocation of the purchase consideration between identifiable assets and liabilities, using various valuation models which were applied to identify and measure the fair value of assets acquired and liabilities assumed ;	Our audit procedures relating to the business combination included, but were not limited to, the following: • Read and obtained an understanding of the Resolution Plan approved by the National Company Law Tribunal and National Company Law Appellate Tribunal; • Involved IBC subject matter experts to ascertain the implications of certain clauses of the Resolution Plan that involved significant management judgement and estimates, as detailed under the description of the matter and to review opinions obtained by the management from legal experts in respect of the cases filed against the Resolution Plan. • Obtained and reviewed the external valuation report, considered by the Company for fair values of acquired assets and liabilities and verified the mathematical accuracy of such report; • Assessed the professional competence, experience and objectivity of the management's legal, valuation and tax experts involved. • Involved our valuation specialists in assessing the appropriateness of the valuation models and assumptions used in aforesaid valuation report prepared by management's expert; • Reviewed and challenged the reasonableness of key assumptions in purchase price allocation to the acquired assets and liabilities; • Involved our tax experts to ascertain the tax implications of the Resolution Plan and to review opinions obtained by the management from tax experts in respect of non-recognition of deferred tax assets/recognition of contingent tax liability as detailed in the description of the matter. • Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements made in the financial statements in accordance with applicable accounting standards.

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Key audit matter	How our audit addressed the key audit matter
• Further, based on the opinion of legal and tax experts, the Company has not recognized certain deferred tax assets and has recognized a contingent liability pertaining to income tax obligation of DHFL, while determining the fair value of assets and liabilities acquired by way of the business combination. • Evaluation of legal cases filed against the approved Resolution Plan and assessment of their possible impact on the accounting treatment of the business combination. Given the complexity and judgement involved in the accounting treatment of the reverse acquisition business combination, fair value measurements and magnitude of the acquisition made by the Company, this matter has been considered of most significance and hence, the same has been considered as a key audit matter in the current year audit. Further, this matter is also considered to be fundamental to the understanding of the users of the standalone financial statements.	
Expected Credit Loss allowance on financial assets *Refer note 1B.(iv) for significant accounting policy and note 44.3 for financial disclosures in the accompanying financial statements* As at 31 March 2022, the Company has reported gross loan assets of Rs. 57,97,540 lakhs against which an impairment loss allowance of Rs. 8,62,437 lakhs has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109). The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following: • Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). • Completeness and accuracy of the data from internal and external sources used in the models.	Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to, the following: • Considered the Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109. • Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process. • Assessed the governance framework over validation, implementation and model monitoring as per approval from Board of Directors.

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Key audit matter	How our audit addressed the key audit matter
• Ind AS 109 requires the Company to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used and probability weights applied to them. • Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts. • In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes. Further, RBI announced various relief measures for the borrowers to address situations arising out of COVID-19 which have been collectively considered by the management in identification, classification and provisioning of loan assets for impairment. The disclosures prescribed under Ind AS 109 and RBI directives is also an area of focus for the management and auditors. Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter.	• Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical as well as external data, we assessed whether the same were relevant and representative of current circumstances. • Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • On sample basis tested the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records; • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings. • Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines.
Information Technology (IT) systems and controls impacting financial reporting The IT environment of the Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems of the Company, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the "In-scope" IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Company.

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Key audit matter	How our audit addressed the key audit matter
We have identified certain key IT systems ("In-scope" IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Company for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the Company.	On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains: a. Program change management, which includes that program changes are moved to production environment as per defined procedures and relevant segregation of environment is ensured. b. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel. c. Program development, which comprises IT operations and system development life cycle for relevant in-scope applications, operating systems, and databases, which are relied upon for financial reporting. d. Other areas that were assessed under the IT control environment included backup management, business continuity, disaster recovery, incident management, interface, batch processing and monitoring. We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies were identified, we tested compensating controls or performed alternative audit procedures, where necessary.
Impairment Assessment of Goodwill Refer note 1B.(xviii) for the accounting policy and note 49 for the disclosures in the accompanying financial statements As disclosed in note 10, the Company had recognized Rs. 10,25,681 lakhs as goodwill arising from the merger of erstwhile Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT.	Our audit procedures on impairment assessment of Goodwill included, but were not limited to, the following: • Assessed the management's identification of CGU, the allocation of assets and the methodology adopted by the management in its impairment assessment of goodwill with reference to the requirements of the prevailing accounting standards;

Key audit matter	How our audit addressed the key audit matter
In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company tests goodwill allocated to various cash generating units (CGUs) for impairment annually, or more frequently when there is an indication that the goodwill may be impaired. In performing such impairment assessment, management compared the carrying value of the separately identifiable CGU with the respective value in use based on discounted cash flow forecast to determine if any impairment loss should be recognised. The management of the Company has used an external valuation specialist in assessing the recoverable amount of the cash generating unit as aforesaid. The preparation of discounted cashflow forecasts for the purpose of assessing potential impairment of Goodwill involves estimating future cash flows, growth rates and discount rates which are judgmental and inherently uncertain. Given the complexity and judgement involved in potential impairment of goodwill made by the Company, this matter has been considered of most significance hence, the same has been considered as key audit matter.	• Evaluated the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessments of the goodwill, including projected future growth rates for income and expenses with reference to our understanding of the business, historical trends and available industry information available market data; • Obtained and reviewed the external valuation reports, considered by the Company for its impairment assessment and assessed the competence, capabilities and objectivity of the experts engaged • Involved our valuation specialists to assess the appropriateness of the valuation methodology used for calculation of the recoverable value in the valuation report obtained by the management. • Assessed the impact of changes in the key assumptions, including projected profitability and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessed whether there were any indicators of the management bias in the selection of these assumptions; • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; • Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated.

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When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 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.

7. In preparing the standalone financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those 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

9. 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 Standards on Auditing 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.

10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 controls system with reference to financial statements 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 management;

- Conclude on the appropriateness of Board of Directors' 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;

11. 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.

12. 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.

13. 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.

Other Matter

14. The standalone financial statements of the Company for the year ended 31 March 2021 were audited by the predecessor auditor, B S R & Co. LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 24 May 2021.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) 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.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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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 standalone financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act read with note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said Note.;

e) On the basis of the written representations received from the directors and 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 with reference to standalone financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

g) 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, as detailed in note 37A and 39B to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

ii. As detailed in note 45 to the standalone financial statements, the Company has made provision as at 31 March 2022, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

Amount(₹ in Lakhs)	Due date	Date of payment
4.97	28 December 2019	Yet to be paid
7.57	28 September 2020	Yet to be paid
17.58	28 March 2021	Yet to be paid
12.46	29 September 2021	Yet to be paid
9.99	27 December 2021	Yet to be paid

Refer Note 16 for reasons of delay in transferring the above amounts.

iv.

a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/N500013

Rakesh Rathi
Partner
Membership No:045228

UDIN: 22045228AJQRZF7726

Place: Mumbai
Date: 26 May 2022

For K. K. Mankeshwar & Co
Chartered Accountants
Firm's Registration No:106009W

Dinesh Kumar Bachchas
Partner
Membership No:097820

UDIN: 22097820AJQVDL8383

Place: Mumbai
Date: 26 May 2022

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

K.K. Mankeshwar & Co.
Chartered Accountants

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Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) on the standalone financial statements for the year ended 31 March 2022

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 report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, for title deeds of immovable properties situated at various locations with gross carrying values of Rs 36,638 Lakhs as at 31 March 2022, which have been pledged as security for loans taken by the Company, confirmations with respect to title deeds in the custody of Trustee Company have been obtained by the Management from Trustee Company and shared with us.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

(iii) (a) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants *

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Annexure A (Contd)

(c) The Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for instances as below:

Particulars – Days past due	Total exposure at default for overdue loans (INR in Lakhs)	No. of Cases
1-29 days	209,901	28,374
30-59 days	29,125	7,927
60-89 days	11,124	4,214
90 or more days	125,810	7,681
Purchased or Originated Credit Impaired	907,542	66,159
Total	1,283,502	114,355

Above figures are net of Fair Value adjustments on account of business combination (refer note no. 39B). Further, the above table does not include loans which are classified as fair value through profit or loss.

(d) According to the information and explanations given to us, the total amount which is overdue for 90 days or more in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs 125,810 lakhs as at 31 March 2022 in respect of 7,681 number of loans (excluding Purchased or Originated Credit Impaired loans and loans which are classified as fair value through profit or loss). Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

(e) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) The Company is a Housing Finance Company and engaged in the business of financing. Accordingly, the provision of Section 185 is not applicable to the Company.
In our opinion, and according to the information and explanation given to us, the Company has complied with the provisions of Section 186(1) of the Companies Act 2013 in respect of the investments made. The other provisions of Section 186 are not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

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Annexure A (Contd)

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	24	0	assessment year 2014-15	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	2,723	0	assessment year 2017-18	Assessing Officer
The Income Tax Act, 1961	Income Tax	6,218	0	assessment year 2018-19	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax	16,988	0	assessment year 2019-20	Assessing Officer
The Income Tax Act, 1961	TDS	5,534	435	assessment year 2017-18	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	TDS	511	40	assessment year 2018-19	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	TDS	510	40	assessment year 2019-20	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	TDS	1,268	100	assessment year 2020-21	Commissioner of Income Tax (Appeal)
Goods and Service Tax Act, 2017	Variation in RCM Liability and Input Tax Credit	21	0	Financial Year 2017-18	The Company is in the process of filing the appeal with Joint Commissioner - Appeals

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Annexure A (Contd)

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company read with note no. 39B and 51(ii), and on the basis of our audit procedures, we report that the Company has not been declared a 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, money raised by way of term loans were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint venture or associate company.

(x) (a) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

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Annexure A (Contd)

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is a Housing Finance Company having a valid Certificate of Registration under Section 29A of the NHB Act, 1987 and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 in terms of exemption granted under Master Direction - Exemptions from the provisions of RBI Act, 1934 dated 25 August 2016 (as amended). Accordingly, reporting under clause 3(xvi) (a) and (b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016 as amended from time to time) does not have more than one CIC/Unregistered CIC.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, 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, our knowledge of the plans of the Board of Directors and management 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) (a) According to the information and explanations given to us, there is no unspent amount pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

K.K. Mankeshwar & Co. Chartered Accountants ★

Walker Chandiok & Co. LLP 11th Floor, Tower II One International Center S B Marg, Prabhadevi (W) Mumbai – 400 013	K.K. MANKESHWAR & CO. 121, POCKET-I, JASOLA NEW DELHI – 110 025 Tel. : +91-11-41402828 del@kkmindia.com

Annexure A (Contd)

(b) The Company has transferred the remaining unspent amount under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP Chartered Accountants Firm's Registration No:001076N/N500013	For K. K. Mankeshwar & Co Chartered Accountants Firm's Registration No:106009W
Rakesh Rathi Partner Membership No.: 045228	Dinesh Kumar Bachchas Partner Membership No.: 097820
UDIN: 22045228AJQRZF7726	UDIN: 22097820AJQVDL8383
Place: Mumbai Date: 26 May 2022	Place: Mumbai Date: 26 May 2022

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Annexure B to the Independent Auditor's Report of even date to the members of Piramal Capital & Housing Finance Limited (formerly Dewan Housing Finance Corporation Limited) on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 ('the Guidance Note') 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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Annexure B (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No:001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

UDIN:22045228AJQRZF7726

Place: Mumbai
Date: 26 May 2022

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For K. K. Mankeshwar & Co
Chartered Accountants
Firm's Registration No:106009W

Dinesh Kumar Bachchas
Partner
Membership No: 097820

UDIN:22097820AJQVDL8383

Place: Mumbai
Date: 26 May 2022

K.K. Mankeshwar & Co. Chartered Accountants ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation 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:**			
(a)	Cash and cash equivalents	3	4,61,860	3,55,901
(b)	Bank balances other than (a) above	4	54,038	77,891
(c)	Derivative financial instruments	45	2,749	-
(d)	Loans	5	47,56,018	24,67,586
(e)	Investments	6	13,91,395	11,35,175
(f)	Other financial assets	7	1,12,535	81,134
2	**Non- financial assets:**			
(a)	Current tax assets (net)	8	62,106	79,626
(b)	Property, Plant and Equipment	10	38,517	2,408
(c)	Right-of-use assets	10	12,171	4,116
(d)	Intangible assets under development	10	1,217	753
(e)	Goodwill	10	10,25,681	10,25,681
(f)	Other intangible assets	10	5,678	3,554
(g)	Other non-financial assets	9	46,255	31,843
	Total Assets		79,70,220	52,65,668
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities:**			
(a)	Derivative financial instruments	45	-	579
	Payables			
(b)	Trade payables			
	(i) Total outstanding dues of micro and small enterprises	11	134	9
	(ii) Total outstanding dues of creditors other than micro and small enterprises	11	51,875	9,275
(c)	Debt securities	12	28,71,266	10,40,599
(d)	Borrowings (other than debt securities)	13	14,91,033	16,30,023
(e)	Deposits	14	2,66,600	2,66,600
(f)	Subordinated debt liabilities	15	12,660	49,493
(g)	Other financial liabilities	16	89,925	9,683
2	**Non- financial liabilities:**			
(a)	Current tax liabilities (net)	17	3,40,889	78
(b)	Provisions	18	10,200	9,791
(c)	Deferred tax liabilities (net)	19	60,746	97,909
(d)	Other non- financial liabilities	20	5,48,949	2,965
	Equity			
(a)	Equity share capital	21	21,36,469	19,28,372
(b)	Other equity	22	89,452	2,20,292
	Total Liabilities and Equity		79,70,220	52,65,668

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

For K.K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W

Dinesh Kumar Bachchas
Partner
Membership No: 097820

For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, May 26, 2022

K K Mankeshwar & Co. Chartered Accountants

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation 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			
Interest income	23	5,94,578	5,07,029
Rental income	35	118	156
Fees and commission income	24	9,165	505
Others	25	8,220	475
Total Revenue from operations		6,12,081	5,08,165
Other income	26	6,611	625
Total Income		6,18,692	5,08,790
Expenses			
Finance costs	27	3,33,224	2,82,821
Fees and commission expenses	28	1,645	11,094
Net loss on fair value changes	29	50,028	11,872
Net loss on derecognition of financial instruments under amortised cost category	31(a)	2,206	14,391
Impairment on financial instruments	31(h)	62,725	(8,024)
Employee benefits expenses	30	29,469	13,507
Depreciation, amortisation and impairment	11	5,236	2,922
Other expenses	32	48,489	26,184
Total Expenses		5,33,022	3,54,767
Profit before exceptional items and tax		85,670	1,54,023
Exceptional items			
Transaction cost on merger	39(B)	14,272	-
Profit before tax		71,398	1,54,023
Less: Tax expenses			
Current tax	33	56,325	5,028
Deferred tax		(37,502)	45,551
	26.39%	18,823	50,579
Profit for the year		52,575	1,03,444
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan		47	282
Income tax relating to items that will not be reclassified to profit or loss		(12)	(71)
Items that will be reclassified to profit or loss			
Remeasurement gain/(loss) on hedge accounting		1,299	(196)
Income tax relating to items that will be reclassified to profit or loss		(327)	50
Net other comprehensive income		1,007	65
Total comprehensive income for the year		53,582	1,03,509
Earnings per equity share (Basic and Diluted) (Rs.)	34	0.25	0.48
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228
Mumbai, May 26, 2022

Walker Chandiok & Co LLP
Mumbai
Chartered Accountants

For K.K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W

Dinesh Kumar Bachchas
Partner
Membership No: 097820

K.K. Mankeshwar & Co.
Chartered Accountants

For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Cash Flow Statement
for the year ended March 31, 2022

(Currency : Rs in lakhs)

The standalone cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow"

		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	71,398	1,54,023
	Short term capital gain on mutual fund	(8,220)	(476)
	Interest income from fixed deposits	(251)	(3,174)
	(Gain)/Loss on fair valuation	50,029	11,872
	Lease rent payment	(2,882)	(2,000)
	Allowance for expected credit loss on loans and loan commitments	62,725	(8,024)
	Finance cost on lease payment	523	684
	Change in provision for gratuity and compensated absence	416	(910)
	Loss on financial assets	2,206	14,391
	Loss on sale of fixed assets	-	72
	Depreciation and amortisation	5,235	2,922
	Operating cash flow before working capital changes	1,81,179	1,69,380
	(Increase) /Decrease in Loans	3,76,503	2,22,489
	(Increase) /Decrease in investments	(58,418)	(1,71,732)
	(Increase) / Decrease in other financials assets	67,189	(42,254)
	Decrease / (Increase) in other Non financials assets	(4,440)	598
	Increase/(Decrease) in short term provisions	(2,799)	-
	(Decrease) / Increase in Trade Payables	11,123	(5,484)
	(Decrease) / Increase in other financials liabilities	4,715	(942)
	Increase / (Decrease) in other non financials liabilities	(971)	2,015
	Cash used in operations	5,74,091	1,74,070
	Less: Income taxes paid	(41,693)	(32,093)
	Net cash (used in)/ from operating activities (a)	5,32,398	1,41,977
B	**Cash flow from investing activities**		
	Fixed assets purchased	(4,597)	(1,772)
	Payment of consideration for business acquisition (Refer note below)	(1,91,847)	-
	Investments in mutual funds	(10,15,500)	(7,27,500)
	Redemptions from mutual funds	10,81,659	5,37,975
	Interest income from fixed deposits	1,002	3,090
	Investment in fixed deposits	(3,38,643)	(12,84,142)
	Redempiton from in fixed deposits	4,35,422	12,46,386
	Net cash (used in)/ from investing activities (b)	(32,504)	(2,25,963)
C	**Cash flow from financing activities**		
	Borrowings taken during the year	8,91,899	19,60,290
	Borrowings repaid during the year	(13,94,759)	(19,06,863)
	Net cash (used in)/ from financing activities (c)	(5,02,860)	53,427
	Net increase/ (decrease) in cash and cash equivalents (a+b+c)	(2,966)	(30,559)
	Cash and cash equivalents as at beginning of the year	3,55,901	3,86,460
	Add: Cash and cash equivalent transferred under Scheme of merger	1,08,924	-
	Cash and cash equivalents as at end of the year	4,61,860	3,55,901
	Cash and Cash Equivalents Comprise of:		
	Cash on hand	574	1
	Balances with banks in current accounts	1,86,819	3,00,848
	Fixed deposits (with maturity less than 3 months)	2,74,467	55,052

Note: The Company has paid Rs.14,71,747/- lakhs in cash of which Rs.12,80,000/- lakhs paid out of acquired cash and has issued Rs.19,53,252/- lakhs of NCD as part of resolution plan approved by NCLT dated 7th June 2021.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228
Mumbai, May 26, 2022

For K.K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W

Dinesh Kumar Bachchas
Partner
Membership No: 097820

For and on behalf of the Board of Directors of
Piramal Capital & Housing Finance Limited

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

K.K. Mankeshwar & Co.
Chartered Accountants

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Statement of changes in equity
for the year ended March 31, 2022

(Currency : Rs in lakhs)

A. Equity Share Capital (refer note 21):

Particulars	Amount
Balance as at March 31, 2020	19,28,372
Add: Issued during the year	-
Balance as at March 31, 2021	19,28,372
Less: Cancellation of shares upon business combination (Refer Note 39B)	(19,28,372)
Add: Issue of shares pursuant to business combination (Refer Note 39B)	21,36,469
Balance as at March 31, 2022	21,36,469

B. Other Equity:

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Amalgamation Adjustment Reserve	Statutory Reserve	Capital Reserve	Securities Premium	Retained Earnings	Cash flow hedge reserve	
Balance as at March 31, 2020	-	29,461	3	16,080	72,688	(1,449)	1,16,784
Add/(Less): Transfer during the year	-	20,689	-	-	-	(147)	20,542
Add: Profit during the year	-	-	-		1,03,444	-	1,03,444
Less: Other Comprehensive Income (net of tax)	-	-	-	-	211	-	211
Less: Transfer to statutory reserve fund	-	-	-		(20,689)	-	(20,689)
Balance as at March 31, 2021	-	50,150	3	16,080	1,55,654	(1,596)	2,20,292
Add/(Less): Transfer during the year	-	10,515	-	-	-	972	11,487
Add: Profit during the year			-	-	52,575	-	52,575
Add: Other comprehensive income (net of tax)	-	-	-	-	35	-	35
Add: Transfer on account of reverse merger (Refer Note 39B)	(3,98,370)	1,83,898	17,263	2,20,885	-	-	23,676
Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-		(3)	(16,080)	(1,92,015)	-	(2,08,098)
Less: Transfer to statutory reserve fund	-		-	-	(10,515)	-	(10,515)
Balance as at March 31, 2022	(3,98,370)	2,44,563	17,263	2,20,885	5,734	(624)	89,452

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228
Mumbai, May 26, 2022

For K.K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W

Dinesh Kumar Bachchas
Partner
Membership No: 097820

For and on behalf of the Board of Directors of
Piramal Capital & Housing Finance Limited

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

K.K. Mankeshwar & Co. Chartered Accountants ★

1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) (the Company) was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc. The company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The registered office of the Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

Also, refer to note 39B with respect to business combination pursuant to Resolution Plan and order passed by Hon'ble National Company Law Tribunal ("NCLT"). From the implementation date i.e. 30 September 2021, as specified in the NCLT order, along with other developments as explained below, the Company became the wholly-owned subsidiary of Piramal Enterprises Limited

These financial statements issued under the name of Piramal Capital & Housing Finance Limited represent the continuation of the financials of erstwhile Piramal Capital & Housing Finance Limited (ePCHFL)(accounting acquirer), as more fully explained in the note 39B

The Company is a public limited company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India ·

The financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 26, 2022.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') read with note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said note. 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 financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below and accounting for business combination carried out by the Company during the year (as more fully explained in note 39B), the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

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

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
The Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

ii) Basis of Accounting

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and accounting for business combination carried out by the Company during the year (as more fully explained in note 39B). The financial statements are prepared and presented on going concern basis.

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 certain assets and liabilities.
1. Business Combination - Note 39B
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 41
3. Fair Valuation of financial assets and liabilities - Note 42
4. Impairment of financial assets – Note 44
5. Impairment of Goodwill – Note 49

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

K.K. Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements
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, except for fair valued assets on business combination (Refer note 39B). 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 less their residual values 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

Individual Property, Plant and Equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

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

Office Equipment	5 years
Furniture and fixtures	10 years
Computers Servers and Network	6 years
Computer - End user device	3 years
Building	60 years
Leasehold Improvements	Amortised on SLM over lease tenure

The Company has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

ii) Intangible Assets

Intangible assets are stated at acquisition cost except for fair valued assets on business combination (Refer note 39B), 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 not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.
Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives 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 intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

iii) Impairment of non financial assets

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

iv) Financial instruments

Recognition, initial measurement and classification

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.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

iv) **Financial instruments** *(Continued)*

Financial assets

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 and other instruments

Subsequent measurement of debt and other 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 and other 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 to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

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 other than purchase or originated credit impaired 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 amortized through Interest income in the statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favorable changes in lifetime ECL are recognised as an impairment gain, even if the favorable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

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

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The Company considers only DSA cost while calculating interest income for retail loans by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. Since the processing fees income collected from the customers approximately equates to the corresponding file cost incurred, the same is not considered for EIR computation.

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.

Wholesale loan book acquired through business combination is accounted as FVTPL instruments

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.

Walker Chandiok & Co LLP Mumbai Chartered Accountants

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd

iv) **Financial instruments** *(Continued)*

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

Impairment of financial assets

The Company applies the expected credit loss ("ECL") 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

Wholesale lending:

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 or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

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 Statement of Profit and Loss.

Retail lending:

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

Financial assets and equity instruments

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 for more than thirty days to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

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 (as represented by days past due status of the individual accounts) 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.

Impairment - POCI Financial Assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

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.

iv) Financial instruments *(Continued)*

Hedge accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the the criteria for cash flow hedge accounting are accounted as follows:
A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Company immediately reclassifies the cumulative amount in the hedging reserve from OCI to the statement of profit or loss.

v) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated

vi) Employee Benefits

Employee benefits include provident fund, compensated absences and gratuity. 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.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

vii) 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.

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K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

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iv) Financial Instruments *(Continued)*

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest

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 or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

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

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.

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 and are recognised in profit and loss.

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 and other 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. Resulting gain/loss due to subsequently remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability

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.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

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

Penal / Default interest income is booked on receipt 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

ix) Foreign Currency Transactions

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. 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

x) 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.

xi) 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.

xii) 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 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.

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Piramal Capital & Housing Finance Ltd.

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(Currency : Rs in lakhs)

xiii) Cash and Cash Equivalents

In the cash flow statement, Cash and cash equivalent comprises cash in hand ,demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the balance sheet.

xiv) 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.

xv) 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.

xvi) Segment accounting
In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Company's chief operating decision maker ("CODM"). The Company has identified only one reportable business segment as it deals mainly in provision of lending business.

xvii) Securitization and direct assignment
The Company transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

xviii) Business Combinations and Goodwill
The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:
- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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

Acquisition-related costs are expensed as incurred

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

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

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

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

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

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Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

		As at March 31, 2022	As at March 31, 2021
3	**Cash and cash equivalents**		
	Cash on hand	574	1
	Balances with banks in current accounts	1,86,819	3,00,848
	Fixed deposits (with maturity less than 3 months)	2,74,467	55,052
	Total	4,61,860	3,55,901
4	**Bank balances other than (a) above**		
	Earmarked balances with banks*	53,863	77,891
	Unclaimed dividend Accounts	175	-
	Total	54,038	77,891

*(i) Deposits with banks to the extent of Rs.53,863 lakhs (31 Mar 2021-Rs.77,318 lakhs) held as security against the borrowings and guarantees.
(ii) Net of fair valuation loss of Rs. 15,007 lakhs (31 March 21 - Rs. Nil) on account of adjustment in cash collateral for securitized pool

		As at March 31, 2022	As at March 31, 2021
5	**Loans**		
	Loans within India		
	Term loan to borrowers - at amortised cost		
	- Secured by tangible assets, considered good	37,43,039	21,11,871
	Less: Allowance for impairment loss (expected credit loss allowance)	(75,546)	(55,658)
	Term loan to borrowers - at amortised cost		
	- Unsecured, considered good- Others	56,419	77,398
	- Unsecured, considered good- Related Party	70,075	1,40,115
	Less: Allowance for impairment loss (expected credit loss allowance)	(2,195)	(3,580)
	Term loan to borrowers - at FVTPL		
	- Secured by tangible assets, considered good	2,64,125	87,072
	Term loan to borrowers - at amortised cost		
	- Significant increase in Credit Risk- Secured	2,56,034	83,183
	Less: Allowance for impairment loss (expected credit loss allowance)	(43,585)	(17,982)
	- Significant increase in Credit Risk- Unsecured	1,439	-
	Less: Allowance for impairment loss (expected credit loss allowance)	(80)	-
	Term loan to borrowers - at amortised cost		
	- Credit impaired- Secured	8,10,916	87,317
	Less: Allowance for impairment loss (expected credit loss allowance)	(3,29,300)	(42,150)
	- Credit impaired- Unsecured	3,08,356	-
	Less: Allowance for impairment loss (expected credit loss allowance)	(3,03,679)	-
	Total	47,56,018	24,67,586
	Loan to Public Sectors	-	-
	Loan to Others	47,56,018	24,67,586
	Total	47,56,018	24,67,586

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.

Collateral held:
The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security
Refer note 46 for details of securitisation transactions

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Notes to the Standalone Financial Statements ***(Continued)***
as at March 31, 2022

(Currency : Rs in lakhs)

6 Investments

	As at March 31, 2022	As at March 31, 2021
Investments within India		
Investments in subsidiaries (Unquoted equity) (at cost) (fully paid)		
DHFL Advisory & Investments Private Limited	-	-
DHFL Holding Limited	1	-
DHFL Investments Limited (Refer note 39B)	1,02,043	-
	1,02,044	-
Measured at Amortised Cost		
Unquoted Investments (fully paid)		
Redeemable Bonds (including Government Securities of Rs. 4 lakhs (31 March 21 - Rs. Nil)	66,227	-
Redeemable Non Convertible Debentures	6,58,786	6,46,791
Pass Through certificates	28,067	-
Less: Allowance for impairment loss (expected credit loss allowance)	(1,08,054)	(56,453)
Total	6,45,026	5,90,338
Instruments at Fair Value through Profit & Loss		
Unquoted Investments (fully paid)		
Project Receivables	1,81,060	1,75,960
Investment in AIF	1,98,824	1,49,061
Investments in unquoted equity instruments (others than Subsidiary, Associate and Joint Venture)	2	-
Investment in Venture Capital Fund	1,588	-
Investment in Security Receipts	43,399	-
Investment in Pass Through Certificates	25,100	-
Optionally Convertible Debentures	30,947	-
Redeemable Non Convertible Debentures	28,105	29,809
Instruments at Fair Value through other comprehensive income		
Unquoted Investments (fully paid)		
Investment in Preference Share	3,232	-
Total	5,12,257	3,54,830
Instruments at Fair Value through Profit & Loss		
Quoted Investments (fully paid)		
Investment in Mutual Funds	1,32,068	1,90,007
Total	1,32,068	1,90,007
Total Investments	13,91,395	11,35,175
Aggregate book value of quoted investments	1,32,068	1,90,007
Aggregate market value of quoted investments	1,32,068	1,90,007
Aggregate book value of unquoted investments	12,59,327	9,45,167

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		As at March 31, 2022	As at March 31, 2021
7	**Other financial assets**		
	Security deposits	14,259	74,002
	Interest strip asset on assignment	50,946	-
	Other receivable*	47,330	7,132
	Total other financial asset	**1,12,535**	**81,134**

* Majorly includes receivable on account of securitisation transactions

		As at March 31, 2022	As at March 31, 2021
8	**Current tax assets (Net)** **Advance Tax (net of Provision)**		
	Advance Tax (net of Provision of Rs 2,07,298 lakhs, 31 March 2021 Rs. 1,50,973 lakhs)	62,106	79,626
	Total current tax assets (net)	**62,106**	**79,626**

		As at March 31, 2022	As at March 31, 2021
9	**Other non-financial assets**		
	Capital advance	725	-
	Goods and service tax credit receivable	23,742	12,742
	Prepaid expenses	2,630	681
	Advance for expenses	3,990	1,562
	Employee Advance	15	-
	Advance processing fees paid	15,153	16,858
	Total other non-financial assets	**46,255**	**31,843**

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10 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Cost					Accumulated Depreciation / Amortisation				
	Opening As at April 1, 2021	Acquisition through business combination (net) (Refer Note 39B)	Additions during the year	Deduction/ write offs	As at March 31, 2022 (A)	Opening As at April 1, 2021	Charge for the year	Deduction/ write offs	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)
Tangible Assets										
Land & Building	30	36,638	-	-	36,668	-	439	-	439	36,229
Office Equipment	682	-	39	-	720	359	131	-	489	231
Computer	774	-	758	-	1,531	579	285	-	864	667
Computer Server	371	-	-	-	371	177	65	-	241	130
Furniture	303	-	1	-	305	100	30	-	130	175
Motor Car	239	49	-	-	288	74	31	-	104	184
Leasehold Improvements	2,829	-	25	-	2,854	1,533	419	-	1,952	902
Right to Use Assets	7,125	8,627	2,356	124	17,983	3,099	2,884	81	5,812	12,171
Total (I)	12,353	45,314	3,178	124	60,720	5,829	4,283	81	10,031	50,689
Intangible Asset										
Goodwill on amalgamation	10,25,681	-	-	-	10,25,681	-	-	-	-	10,25,681
Computer software	3,885	-	3,076	-	6,961	331	952	-	1,283	5,678
Total (II)	10,29,565	-	3,076	-	10,32,642	331	952	-	1,283	10,31,359
Intangibles under development (III)	753	-	3,638	3,174	1,217	-	-	-	-	1,217
Grand Total (I+II+III)	10,42,672	45,314	9,892	3,298	10,94,579	6,159	5,236	81	11,314	10,83,265

Amount in intangible assets under development as at 31.03.2022					
CWIP	Less then 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
Projects in progress	857	158	161	41	1,217
Project temporarily suspended	NA	NA	NA	NA	NA

Amount in Intangible assets under development to be completed in					
CWIP	Less then 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
Projects in progress	1,217	-	-	-	1,217
Project temporarily suspended	NA	NA	NA	NA	NA

There have been no project overruns exceeding the original planned expenditure

Title Deeds of all the immovable properties are in the name of the Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

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K. K. Mankeshwar & Co. Chartered Accountants ★

Piramal Capital & Housing Finance Ltd. ★

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(Currency : Rs in lakhs)

10 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Cost					Accumulated Depreciation / Amortisation				
	Opening As at April 1, 2020	Acquisition through business combination	Additions during the year	Deduction/ write offs	As at March 31, 2021 (A)	Opening As at April 1, 2020	Charge for the year	Deduction/ write offs	As at March 31, 2021 (B)	As at March 31, 2021 (A-B)
Tangible Assets										
Land & Building	30	-	-	-	30	-	-	-	-	30
Office Equipment	680	-	2	-	682	225	134	-	359	323
Computer	711	-	64	-	774	399	180	-	579	194
Computer Server	371	-	-	-	371	112	65	-	177	195
Furniture	303	-	-	-	303	69	30	-	100	204
Motor Car	239	-	-	-	239	43	31	-	74	166
Leasehold Improvements	2,929	-	-	100	2,829	1,043	517	27	1,533	1,296
Right to Use Assets	6,836	-	951	662	7,125	1,765	1,657	414	3,009	4,116
Total (I)	12,099	-	1,017	761	12,354	3,656	2,613	441	5,829	6,524
Intangible Asset										
Goodwill on amalgamation	10,25,681	-	-	-	10,25,681	-	-	-	-	10,25,681
Computer software	103	-	3,782	-	3,885	22	309	-	331	3,554
Total (II)	10,25,782	-	3,782	-	10,29,563	22	309	-	331	10,29,233
Intangibles under development (III)	2,803	-	1,790	3,840	753	-	-	-	-	753
Grand Total (I+II+III)	10,40,684	-	6,589	4,601	10,42,671	3,678	2,922	441	6,159	10,36,512

Amount in Intangible assets under development as at 31.03.2021					
CWIP	Less then 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
Projects in progress	529	183	-	41	753
Project temporarily suspended	NA	NA	NA	NA	NA

Amount in Intangible assets under development to be completed in					
CWIP	Less then 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
Projects in progress	-	-	753	-	753
Project temporarily suspended	NA	NA	NA	NA	NA

There have been no project overruns exceeding the original planned expenditure

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K K Mankeshwar & Co. Chartered Accountants ★

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
as at March 31, 2022

(Currency : Rs in lakhs)

		As at March 31, 2022	As at March 31, 2021
11	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	134	9
		134	9
(ii)(a)	Total outstanding dues of creditors other than micro enterprises and small enterprises	49,950	8,827
(ii)(b)	Trade payables to related parties (refer note 40)	1,925	448
	Total	51,875	9,275

Note :
Trade payable outstanding for following periods from the due date

Trade Payable as at March 31, 2022	Unbilled Amount	Less than 6 months	6m-1 yr	1yr-2yr	2yr-3yr	More than 3 years	Total
MSME	-	134	-	-	-	-	134
Others	18,900	3,467	29,177	57	20	254	51,875
Disputed dues -MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-

Trade Payable as at March 31, 2021	Unbilled Amount	Less than 6 months	6m-1 yr	1yr-2yr	2yr-3yr	More than 3 years	Total
MSME	-	9	-	-	-	-	9
Others	8,526	711	26	2	11	-	9,275
Disputed dues -MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-		-

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K.K. Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

		As at March 31, 2022	As at March 31, 2021
12	**Debt Securities**		
	Debt securities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (secured)	28,71,266	10,40,599
	Total	**28,71,266**	**10,40,599**
13	**Borrowings (Other than Debt Securities)**		
	Borrowings in India		
	Measured at amortised cost		
	Term Loans (secured)		
	-From banks	11,16,621	14,26,754
	-FCNR Loan	56,940	54,755
	Securitised Borrowings	2,66,965	95,609
	Working capital demand loan/short term borrowings (secured)		
	-From banks	15,064	50,007
	Commercial Paper (unsecured)	35,465	2,898
	Total	**14,91,055**	**16,30,023**
14	**Deposits**		
	Deposits in India		
	Measured at amortised cost		
	Intercorporate deposit from related party (Unsecured)	2,66,600	2,66,600
	Total	**2,66,600**	**2,66,600**
15	**Subordinated Liabilities**		
	Subordinated Liabilities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (unsecured)	12,660	49,493
	Total	**12,660**	**49,493**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Currency : Rs in lakhs)

12. Debt securities

A. Redeemable Non Convertible Debentures (secured)

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 Instalment payment date
1000 (payable annually) 7 85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	10,000	14-Jan-22	NA
5000 (payable annually) 7 85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	50,000	31-Jan-22	NA
400 (payable annually) 7 85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	4,000	04-Feb-22	NA
1500 (payable annually) 7 85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	15,000	17-Feb-22	NA
500 (payable annually) 7 85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	5,000	21-Feb-22	NA
1500 (payable annually) 8 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	15,000	04-Mar-22	NA
1500 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	15,000	22-Mar-22	NA
8125 (payable annually) 9 50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	65,000	65,000	15-Apr-22	NA
625 (payable annually) 9 50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	5,000	5,000	21-Apr-22	NA
1750 (payable annually) 8 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	17,500	17,500	19-May-22	NA
1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	15,000	15,000	16-Sep-22	NA
500 (payable on maturity) 8 50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	5,000	-	07-Oct-22	NA
400 (payable on maturity) 8 50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	4,000	-	07-Oct-22	NA

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Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited

(formerly known as Piramal Housing Finance Limited)

Notes to the Financial Statements (Continued)

as at March 31, 2022

(Currency : Rs in lakhs)

12. Debt securities

A. Redeemable Non Convertible Debentures (secured)

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 Instalment payment date
520 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	5,200	-	07-Oct-22	NA
80 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	800	-	07-Oct-22	NA
509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 22 months from the date of allotment	5,090	5,090	23-Jan-23	NA
500 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	5,000	-	14-Apr-23	NA
500 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	5,000	-	14-Apr-23	NA
200 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	2,000	-	14-Apr-23	NA
500 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	5,000	-	14-Apr-23	NA
2500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	-	25,000	12-May-23	NA
2500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	25,000	25,000	12-May-23	NA
3250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 35 months from the date of allotment	32,500	32,500	31-May-23	NA
5000 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal tranches starting from 30th July 2021	33,330	50,000	31-Jul-23	31-Jul-21
495486 (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 24 months from the date of allotment	4,955	-	23-Sep-23	NA
52480 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 24 months from the date of allotment	525	-	23-Sep-23	NA

Walker Chandiok & Co LLP Mumbai Chartered Accountants

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Currency : Rs in lakhs)

12. Debt securities

A. Redeemable Non Convertible Debentures (secured)

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 Instalment payment date
3466413 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 24 months from the date of allotment	34,664	-	23-Sep-23	NA
12300 (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 24 months from the date of allotment	123	-	23-Sep-23	NA
250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1826 days from the date of allotment	2,500	2,500	02-Nov-23	NA
900 (payable semi annually) 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 53 months from the date of allotment	9,000	9,000	08-Nov-23	NA
50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment	500	500	08-Mar-24	NA
250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	2,500	2,500	03-May-24	NA
13770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	138	-	23-Jul-24	NA
1542637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	15,426	-	23-Jul-24	NA
900 (payable semi annually) 10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 65 months from the date of allotment	9,000	9,000	08-Nov-24	NA
350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 2555 days from the date of allotment	3,500	3,500	03-Oct-25	NA
15000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 12 June 2025	1,50,000	1,50,000	12-Mar-26	12-Jun-25
3750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 12 June 2025	37,500	37,500	12-Mar-26	12-Jun-25
750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 12 June 2025	7,500	7,500	12-Mar-26	12-Jun-25
500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 12 June 2025	5,000	5,000	12-Mar-26	12-Jun-25

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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Piramal Capital & Housing Finance Ltd.

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Currency : Rs in lakhs)

12. Debt securities

A. Redeemable Non Convertible Debentures (secured)

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 Instalment payment date
15000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 19 June 2025	1,50,000	1,50,000	19-Mar-26	19-Jun-25
3750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 19 June 2025	37,500	37,500	19-Mar-26	19-Jun-25
1750 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal installnets starting from 19 June 2025	17,500	17,500	19-Mar-26	19-Jun-25
107455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	1,075	-	23-Jul-26	NA
808680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	8,087	-	23-Jul-26	NA
5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after eight years from the date of allotment	50,000	50,000	11-Mar-27	NA
5000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	20-Sep-27	19-Sep-25
5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after Nine years from the date of allotment	50,000	50,000	10-Mar-28	NA
5000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	19-Dec-28	18-Dec-26
5000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after Ten years from the date of allotment	50,000	50,000	09-Mar-29	NA
500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	5,000	5,000	01-Nov-30	NA
250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,500	2,500	28-Mar-31	NA
200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,000	-	27-Jun-31	NA

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Financial Statements (Continued)
as at March 31, 2022

(Currency : Rs in lakhs)

12. Debt securities

A. Redeemable Non Convertible Debentures (secured)

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 Instalment payment date
1150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 10 years from the date of allotment	12	-	23-Jul-31	NA
1540084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 10 years from the date of allotment	15,401	-	23-Jul-31	NA
195325290 (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment	19,04,422	-	26-Sep-31	28-Mar-22

The contractual rate of interest for the above loans are in the range of 6.75% to 13.50% per annum

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13. Borrowings (Other than Debt Securities)

B. 1. Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly instalments commencing from 27 month of drawdown date	-	12,509	15-Mar-22	30-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown	-	37,500	09-Mar-22	09-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly instalments Commencing from one year from date of drawdown	-	1,667	26-Apr-21	26-Oct-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly instalments Commencing from one year from date of drawdown	-	833	26-Apr-21	26-Oct-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly instalments commencing after the moratorium period of two years from the date of drawdown	-	5,000	18-Mar-22	18-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly Instalments commencing from 25 months from date of drawdown	2,911	6,273	27-Jun-22	10-Sep-19
First pari passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly Instalments Commencing from 25th month from date of drawdown	12,500	25,000	09-Jun-22	09-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly instalments commencing from 21st month from date of drawdown	-	1,616	02-Aug-21	02-May-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date	6,883	19,403	28-Aug-23	28-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly instalments starting from 21st month from drawdown date	-	9,699	24-Sep-21	26-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	2,748	7,237	30-Sep-22	26-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	2,444	3,173	30-Sep-22	26-Mar-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	-	3,440	06-Oct-21	06-Jul-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly instalments commencing after a moratorium of 2 years from the date of drawdown	-	10,888	18-Mar-22	18-Dec-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	-	1,720	21-Dec-21	21-Sep-19

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13. Borrowings (Other than Debt Securities)

B. 1. Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	-	3,440	27-Dec-21	27-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date	10,114	22,645	28-Dec-22	28-Nov-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	-	12,349	11-Feb-22	11-Nov-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	4,433	8,645	28-Feb-23	31-Aug-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	6,100	16,124	30-Sep-22	30-Sep-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly instalments commencing post moratorium period of 2 years from the drawdown date	-	2,291	31-Aug-21	31-Mar-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment in equal half yearly instalments	1,250	3,750	20-Apr-22	20-Oct-18
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	30,000	10-Aug-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	88,890	1,33,334	31-Oct-23	31-Jul-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle in 12 quarterly instalment of Rs 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	12,452	29,111	26-May-22	26-Aug-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown	4,972	12,488	27-Mar-23	27-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 47 equal monthly instalment of Rs 10.42 Crs each and 48th installment of Rs. 10.50 Crs after drawdown	8,562	21,141	29-Dec-22	29-Jan-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	7,585	14,293	31-Dec-22	30-Jun-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 35 months from drawdown date	-	8,281	31-Dec-21	29-Feb-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 47 equal monthly instalment of Rs 10.42 Crs each and 48th installment of Rs. 10.50 Crs after drawdown	9,645	22,183	02-Feb-23	02-Mar-19

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13. Borrowings (Other than Debt Securities)

B. I. Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of Principle in 12 equal quarter instalment of Rs 25 Crs after moratorium period of the 2 years from the date of drawdown	19,979	29,979	31-Mar-24	30-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date	2,735	6,078	26-Mar-23	26-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date	67,500	67,500	17-May-26	17-Jun-19
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 equal quarterly installments fter the moratorium period of 6 months from the drawdown date	28,829	39,935	24-Sep-24	29-Jun-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months in 9 equal half yearly installments commencing after initial moratorium of 6 months	16,403	23,081	19-Sep-24	16-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan to be repaid in 19 equal quarterly installments starting from 1 quarter from date of first disbursement	31,592	42,107	30-Sep-24	30-Sep-20
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 16 equal quarterly installments after a moratorium period of 1 year	29,279	39,319	26-Dec-24	26-Mar-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 equal quarterly installments after a moratorium period of 1 year	41,652	49,988	30-Jan-27	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	25,000	04-Mar-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months from drawdown date	-	5,000	13-Mar-25	13-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	30,000	16-Sep-21	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date	20,866	20,874	31-Mar-27	17-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year	1,37,471	2,50,000	04-Apr-27	04-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year	26,890	50,000	04-Apr-27	04-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan repayment in 24 quarterly installments post moratorium period of 1 year	26,890	50,000	03-Apr-25	04-Jul-21

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13. Borrowings (Other than Debt Securities)

B. 1. Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year	37,463	49,999	03-Apr-25	03-Jul-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	-	23,000	20-May-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year	8,748	10,000	31-Aug-25	30-Nov-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	6,500	18-May-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year	4,686	5,000	11-Dec-25	11-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	-	11,000	23-Jun-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments	32,812	35,000	28-Dec-25	28-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	16,700	16,700	11-Jul-22	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments	59,738	75,000	30-Mar-26	30-Jun-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	23,000	-	26-May-23	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly installments after a moratorium period of 1 year from date of drawdown	14,996	-	31-Aug-26	28-Feb-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments	44,989	-	28-Sep-26	27-Dec-21
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments with moratorium period of 6 months from date of drawdown	25,000	-	30-Nov-24	31-Aug-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	17,500	-	20-Jun-23	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen quarterly installments of 8 crs each and lastinstallment of 6 crs after a holiday period of 3 months from date of drawdown	15,000	-	24-Dec-26	27-Jun-22

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13. Borrowings (Other than Debt Securities)

B. 1. Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 28 equal quarterly instalments	24,107	-	29-Dec-28	31-Mar-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 14 quarterly installments with moratorium period of 18 months from date of drawdown	50,000	-	07-Mar-27	07-Dec-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	25,000	-	03-Mar-24	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 20 equal quarterly instalments	20,000	-	30-Mar-27	30-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 12 equal quarterly instalments	10,000	-	30-Mar-25	30-Jun-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown	7,500	-	30-Mar-27	30-Sep-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 16 quarterly installments with moratorium period of 6 months from date of drawdown	10,000	-	30-Sep-26	31-Dec-22
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 quarterly installments with moratorium period of 1 year from date of drawdown	20,000	-	30-Mar-29	30-Jun-23
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown	30,000	-	31-Mar-27	30-Sep-22

The contractual rate of interest for the above loans are in the range of 6.00% to 9.40% per annum

13. Borrowings (Other than Debt Securities)

B.2. Foreign Currency Non Repatriable Loans:

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
First pari-passu charge on the standard assets including receivables present and future	Repayable after 65 months from drawdown date	26,132	26,132	08-Nov-24	NA
First pari-passu charge on the standard assets including receivables present and future	Repayable after 53 months from drawdown date	26,132	26,132	08-Nov-23	NA

The rate of interest for the above loans is 9.30% per annum

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B.3. Securitised Borrowings

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 29 months from drawdown date	-	41,950	15-Apr-21	15-Oct-19
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 362 months from drawdown date	7,278	13,539	20-Jul-49	20-Nov-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 194 months from drawdown date	4,090	7,694	31-Aug-35	11-Oct-19
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 105 months from drawdown date	6,045	25,139	20-Feb-28	20-Nov-19

The contractual rate of interest for the above loans are in the range of 8.25% to 8.98% per annum

B.4. Working Capital Demand Loan/short term borrowings (secured) from bank

Nature of Security	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	10000	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	5,000	5,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	25,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	20,000

The rate of interest for the above loans is 7.35% to 7.90% per annum

B.5. Commercial Paper

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date
Commercial Paper	Repayable within 365 days from date of disbursement	35900	3,000	Various

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14. Deposits :

Intercorporate deposit from related party (Unsecured)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
Intercorporate Deposit	Repayable after Sixty months from drawdown date	2,29,700	2,66,600	25-Jun-25	NA
Intercorporate Deposit	Repayable after Eighteen months from drawdown date	36,900	-	30-Jun-22	NA

The rate of interest for the above loans is 7.25% to 7.60% per annum

15. Subordinated Liabilities :

Redeemable Non Convertible Debentures (unsecured)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021	Maturity Due Date	First Instalment payment date
1,276 (PY 5,000) (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs 10,00,000	The NCD's are repayable after 10 years from the date of allotment	12760	50,000	08-Mar-27	NA

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

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		As at March 31, 2022	As at March 31, 2021
16	**Other financial liabilities**		
	Lease liability	13,097	4,824
	Payable to employees	9,217	4,859
	Unclaimed dividend*	175	-
	Security and other deposits received	202	-
	Amounts payable on Securitised Loans	54,719	-
	Others	12,515	-
	Total	89,925	9,683

* Includes amount of Rs.53 lakhs of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013.

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

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

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on 30 September 2021 and the new board of directors was instated on 30 September 2021 subsequent to which the Company was able to take practical steps to reactivate the relevant unclaimed dividend accounts. The relevant unclaimed dividend accounts were reactivated in the month of March 2022 and April 2022 after following the due process and the Company (in coordination with Registrar and Transfer Agents and Banks) is in the process of reconciling the details of unclaimed/unpaid dividends and completing the required compliances under Section 124 of the Companies Act, 2013.

		As at March 31, 2022	As at March 31, 2021
17	**Current tax liabilities**		
	Net provision for tax (net of advance tax of Rs. 40,788 lakhs, 31 March 2021 Rs.3,484 lakhs)	3,40,889	78
	Total	3,40,889	78
18	**Provisions**		
	Provision for Employee Benefits		
	Gratuity (refer Note 41)	53	(38)
	Compensated absence	36	806
	Allowance for impairment on commitments (refer note 37 (b) and 44.3(b))	10,111	9,023
	Total	10,200	9,791

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Piramal Capital & Housing Finance Limited

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as at March 31, 2022

(Currency : Rs in lakhs)

		As at March 31, 2022	As at March 31, 2021
19	**Deferred tax liabilities (net)**		
	Deferred tax assets	2,09,884	1,73,635
	Deferred tax liabilities	(2,70,630)	(2,71,544)
		(60,746)	(97,909)

Particulars	Opening balance as at March 31, 2021	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2022
Movement in deferred tax balances:				
Depreciation on property, plant and equipment	919	(5,107)		(4,188)
Depreciation on intangible assets	(1,32,521)	588		(1,31,933)
Non deductibility of goodwill for purposes of computing business income	(1,26,538)	-		(1,26,538)
Deductible temporary difference on account of capital gains basis for unamortized goodwill	1,15,026	-		1,15,026
Preliminary Expenses	14	(14)		0
Provision for compensated absence	203	(722)		(519)
Provision for Gratuity	(9)	(58)	(12)	(79)
Provision for Bonus	-	1,464		1,464
Provision on loans and investments as per ECL	45,923	15,788		61,711
(Gain)/loss on fair valuation	4,273	13,189		17,461
Net fair value changes on foreign currency loan	537		(327)	210
Deferment of interest income due to EIR	4,148	949		5,097
Deferment of interest expense due to EIR	(11,309)	4,933		(6,376)
Unamortised Processing fees paid to Piramal Enterprises Limited	(131)	132		1
Stamp duty on Amalgamation allowable u/s 35DD	219	(219)		(0)
Receivable on assigned loans	0	3,261		3,261
Expenses that are allowed on payment basis	831	(831)		0
Transaction Cost	-	2,872		2,872
IND AS 116 - [illegible]				-
Lease liabilities	1,214	317		1,531
Right of Use assets	(1,036)	68		(968)
Loss on derecognition of assets	329	555		884
Unrealised loss on investment	-	367		367
	(97,909)	37,502	(339)	(60,746)

Refer note 39B for deferred tax asset not recognised pursuant to uncertain tax positions.

Particulars	Opening balance as at March 31, 2020	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2021
Movement in deferred tax assets				
Depreciation on property, plant and equipment	142	777	-	919
Depreciation on intangible assets	(1,31,646)	(875)	-	(1,32,521)
Non deductibility of goodwill for purposes of computing business income	-	(1,26,538)		(1,26,538)
Deductible temporary difference on account of capital gains basis for unamortized goodwill	-	1,15,026		1,15,026
Preliminary Expenses	28	(14)	-	14
Provision for compensated absence	202	1	-	203
Provision for Gratuity	292	(372)	71	(9)
Provision on loans and investments as per ECL	47,942	(2,020)	-	45,923
Unabsorbed depreciation	30,646	(30,646)	-	0
(Gain)/loss on fair valuation	1,285	2,988	-	4,273
Net fair value changes on foreign currency loan	488	49	-	537
Deferment of interest income due to EIR	3,394	754	-	4,148
Deferment of interest expense due to EIR	(6,008)	(5,301)	-	(11,309)
Unamortised Processing fees paid to Piramal Enterprises Limited	(463)	331	-	(131)
Stamp duty on Amalgamation allowable u/s 35DD	439	(219)	-	219
Expenses that are allowed on payment basis	831	-	-	831
Lease Liabilities	1,368.48	(154.36)	-	1,214
Right of Use assets	(1,275.81)	240.39		(1,036)
Loss on derecognition of assets	-	328.43		328
	(52,336)	(45,644)	71	(97,909)

20	**Other non- financial liabilities**		
	Statutory dues payable	2,740	1,132
	Deferred income on fair valuation of deposit taken	10	-
	Fair Valuation Adjustment on Merger (Refer Note 39B)	5,38,849	-
	Advance received	7,350	1,833
	Total	5,48,949	2,965

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(Currency : Rs in lakhs)

		As at March 31, 2022	As at March 31, 2021
21	**Equity Share Capital**		
	Authorized share capital:		
	Opening balance:	25,00,000	25,00,000
	25,00,00,00,000 (31 March 2021: 25,00,00,00,000) equity shares of INR 10 each		
	Add. 84,03,90,024 equity shares transfer on account of reverse merger (Refer Note 39B)	84,039	-
	Total	25,84,039	25,00,000
	25,00,000 Non-Convertible Redeemable Cumulative Preference Shares of INR 1000 each transfer on account of reverse merger (Refer Note 39B)	25,000	-
	Total	25,000	-
	Issued, subscribed and fully paid up equity share capital:		
	Opening balance	19,28,372	19,28,372
	Less: Cancellation of shares upon business combination (Refer Note 39B)	(19,28,372)	-
	Add: Issue of shares pursuant to business combination (Refer Note 39B)	21,36,469	-
	Total	21,36,469	19,28,372

<u>Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</u>

Equity shares	31 March 2022		31 March 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	19,28,37,18,397	19,28,372	19,28,37,18,397	19,28,372
Less: Cancellation of shares upon business combination (Refer Note 39B)	(19,28,37,18,397)	(19,28,372)	-	-
Add: Issue of shares pursuant to business combination (Refer Note 39B)	21,36,46,91,751	21,36,469	-	-
Outstanding at the end of the year	21,36,46,91,751	21,36,469	19,28,37,18,397	19,28,372

<u>Details of shares held by Promoter</u>

Particulars	31 March 2022		31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Piramal Enterprises Limited	21,36,46,91,751	100%	19,28,37,18,397	100%

<u>Details of shareholder holding more than 5% shares in the Company</u>

Particulars	31 March 2022		31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Piramal Enterprises Limited	21,36,46,91,751	100%	19,28,37,18,397	100%

<u>Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:</u>

Particulars	Financial year	No. of shares
Equity shares of Rs 10 each allotted as fully paid-up pursuant to business combination (Refer Note 39B)	2021-22	21,36,46,91,751

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares
There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment
There were no shares forfeited during the year

In the event of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders

22	**Other equity**		
	Capital Reserve (refer note 22.1)	17,263	3
	Securities Premium (refer note 22.2)	2,20,885	16,080
	Cash flow hedge reserve (refer note 22.3)	(624)	(1,596)
	Statutory reserve fund (refer note 22.4)	2,44,564	50,150
	Amalgamation Adjustment Reserve (refer note 22.5)	(3,98,370)	-
	Retained earnings (refer note 22.6)	5,734	1,55,655
	Total	89,452	2,20,292

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(Currency : Rs in lakhs)

		As at March 31, 2022	As at March 31, 2021
22.1	Capital reserve		
	Opening balance (Refer note 39A)	3	3
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	(3)	-
	Add: Transfer on account of reverse merger (Refer Note 39B)	17,263	-
	Closing Balance	17,263	3
22.2	Securities Premium		
	Opening balance	16,080	16,080
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	(16,080)	-
	Add: Transfer on account of reverse merger (Refer Note 39B)	2,20,885	-
	Closing Balance	2,20,885	16,080

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

22.3	Cash flow hedge reserve		
	Opening Balance	(1,596)	(1,449)
	Addition during the year (refer note 45)	972	(147)
	Closing Balance	(624)	(1,596)

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings as described within note 14. For hedging foreign currency risk, the Company uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. interest payments)

22.4	Statutory reserve fund		
	Reserve fund U/s 29C of the NHB Act, 1987		
	Opening Balance	50,150	29,461
	Add: Transfer on account of reverse merger (Refer Note 39B)	1,83,899	-
	Addition during the year	10,515	20,689
	Closing Balance	2,44,564	50,150

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended 31 March 2022, the Company has transferred an amount of Rs 10,515 lakhs (31 March 2021 Rs 20,689 lakhs), being 20% of profit after tax

22.5	Amalgamation Adjustment Reserve		
	Opening Balance	-	-
	Addition during the year (refer note 39B)	(3,98,370)	-
	Closing Balance	(3,98,370)	-

Amalgamation adjustment reserve has been created on account of business combination (refer note 39B) done during FY 2021-22

22.6	Retained earnings		
	Opening Balance	1,55,654	72,688
	Net profit for the year	52,575	1,03,444
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	35	211
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	(1,92,015)	-
	Less: Transfer to statutory reserve fund	(10,515)	(20,689)
	Closing Balance	5,734	1,55,654

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety

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(Currency : Rs in lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations		
23	**Interest income**		
	Interest income on financial assets measured at amortised cost:		
	- on investments	70,728	90,609
	- on loans and advances	4,53,155	3,64,342
	Interest income- on investments measured at FVTPL	65,595	48,905
	Interest income on Fixed deposits measured at amortised cost	5,100	3,173
	Total Interest income	5,94,578	5,07,029
24	**Fees and commission Income**		
	- processing / arranger fees	9,165	505
	Total Fees and commission Income	9,165	505
25	**Others**		
	Realised Short term capital gain on mutual fund	8,048	475
	Unrealised Short term capital gain on mutual fund	172	-
	Total others	8,220	475
26	**Other income**		
	Other non-operating income	6,611	625
	Total other income	6,611	625
	Expenses		
27	**Finance cost**		
	Interest expense on financial liabilities measured at amortised cost:		
	Interest on deposits	19,328	17,044
	Interest on borrowings	1,31,809	1,99,515
	Interest on debt securities	1,78,948	61,393
	Interest on subordinated liabilities	3,139	4,869
		3,33,224	2,82,821
28	**Fees and commission expense**		
	Other borrowing cost	1,645	11,094
		1,645	11,094
29	**Net loss on fair value changes**		
	Loss on loans and investments measured at FVTPL	50,028	11,872
		50,028	11,872
30	**Employee benefits expense**		
	Salaries and wages	27,999	12,403
	Contribution to provident and other funds	1,096	575
	Provision for leave encashment	(1,261)	130
	Staff welfare expenses	1,195	86
	Provision for gratuity (refer note 41)	440	313
		29,469	13,507

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(Currency : Rs in lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
31 (a)	**Net loss on derecognition of financial instruments-under amortised cost category**		
	Loss on derecognition of financial assets	2,206	14,391
		2,206	14,391
31 (b)	**Impairment on financial instruments**		
	On Financial instruments measured at Amortised Cost		
	Loans	10,322	(5,845)
	Investments	51,600	5,626
	Commitments	803	(7,805)
		62,725	(8,024)
32	**Other expenses**		
	Corporate social responsibility expenses (refer note 50)	4,921	1,761
	Rent (refer note 35)	679	476
	Rates and taxes, excluding taxes on income	35	-
	Travelling and conveyance	277	76
	Legal and professional fees	28,554	13,794
	Royalty	4,430	3,994
	Electricity expense	421	155
	Repairs and maintenance	4,385	755
	Business promotion and advertisement expenses	1,059	1,233
	Postage and communication	697	147
	Printing and stationery	315	59
	Other expenses	2,365	3,596
	Payments to auditors		
	- as auditor	345	59
	- for other services	4	76
	- for reimbursement of expenses	2	3
		48,489	26,184

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(Currency : Rs in lakhs)

		Year ended March 31, 2022	Year ended March 31, 2021
33	**Income Taxes**		
a.	**Recognised in the statement of profit and loss**		
	Current Tax		
	In respect of the current year	56,325	5,028
	Deferred Tax		
	In respect of the current year	(37,502)	45,551
	Total	18,823	50,579

b. **The income tax expense for the year can be reconciled to the accounting profit as follows:**

	Year ended March 31, 2022	Year ended March 31, 2021	Effective tax rate reconciliation Year ended March 31, 2022	Effective tax rate reconciliation Year ended March 31, 2021
Profit before tax from continuing operations	71,398	1,54,023		
Income tax expense calculated at 25.17% (previous year at 25.17%)	17,971	38,768	25.17%	25.17%
Tax effect:				
Effect of expenses that are not deductible in determining taxable profit				
-Donation	1,238	947	1.73%	0.61%
Interest on TDS	-	12	0.00%	0.01%
Non deductibility of goodwill for purposes of computing business income	-	1,26,538	0.00%	82.16%
Deductible temporary difference on account of capital gains basis for unamortized goodwill	-	(1,15,026)	0.00%	-74.68%
Effect of difference in amortised cost and carrying amount of loan portfolio	-	(589)	0.00%	-0.38%
Reclass to Other comprehensive income for remeasurement of defined benefit obligation	-	(71)	0.00%	-0.05%
Loss on derecognition on assets	(328)	-	-0.46%	0.00%
Others	(58)	-	-0.08%	0.00%
Income tax expense recognised in the statement of profit and loss	18,823	50,579	26.36%	32.84%
Effective Tax Rate	26.36%	32.84%		

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34 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	52,575	1,03,444
Weighted average number of equity shares outstanding during the year for calculation of EPS	21,36,46,91,751	21,36,46,91,751
Basic and Diluted EPS of face value of INR 10	0.25	0.48

The basic and diluted EPS is same as there are no potential dilutive equity shares.

35 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Company's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding three to five years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

Right-of-use assets

Right-of-use assets related to lease properties

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	4,116	5,071
Depreciation charge for the year	(2,884)	(1,657)
Addition to right-of-use assets	10,982	950
Derecognition of right-of-use assets (net)	(43)	(248)
Closing Balance	12,171	4,116

Amount recognised in statement of profit and loss - Lease under Ind AS - 116

	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	530	685
Income from sub-leasing right-of-use assets presented in 'Revenue from operations'	118	156
Expenses Related to short-term lease	679	476
Expenses related to leases of low-value assets, excluding short-term lease of low-value assets	-	-

Amount recognised in the statement of cash flow

	As at March 31, 2022	As at March 31, 2021
Total Cashflow for lease	3,267	2,001

Contractual maturities of lease liabilities on an undiscounted basis

	As at March 31, 2022	As at March 31, 2021
Less than 1 year	4,765	1,290
1-3 years	8,792	2,374
3-5 years	1,734	628
More than 5 years	757	532

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(Currency : Rs in lakhs)

36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises On the basis of the information and records available with company including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below

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	134	9
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,044	247
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	-	4
Further interest remaining due and payable for earlier years	-	-

37(a) Contingent liabilities

Particulars	March 31, 2022	March 31, 2021
Claim against the Company not acknowledged as debt		
Dues towards Income Tax for AY 2014-2015	23	34
Dues towards Income Tax for AY 2017-2018	5,534	5,534
Dues towards Income Tax for AY 2018-2019	511	511
Dues towards Income Tax for AY 2019-2020	510	510
Dues towards Income Tax for AY 2020-2021	1,268	1,268
Claims against the Company not acknowledged as debts	1,752	-

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 statements.

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37(b) Capital commitments

Particulars	March 31, 2022	March 31, 2021
Undisbursed loan commitments	3,16,583	-
Other capital commitments	1,112	-
Total	3,17,695	-

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Company

38(a) 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.

38(b) Significant transactions during the year

(i) During the year, the Company has acquired a portion of lending portfolio comprising of loan portfolio is Rs. Nil lakhs (31 March 2021 - Rs.38,842 lakhs) from its parent company, Piramal Enterprises Limited and acquired a portion of loan portfolio of Rs 21,529 lakhs (31 March 2021 - Rs.486,547 lakhs), Invesmetnt Rs. 46,261 Lakhs(31 March 2021 - NIL) from its fellow subsidiary PHL Fininvest Private Limited.
Further, the Company has transfered a portion of loan portfolio of Rs 49,953 lakhs (31 March 2021 - Rs 376,223 lakhs) to PHL Fininvest Private Limited

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(Currency : Rs in lakhs)

39 A Amalgamation of Piramal Finance Limited and Piramal Capital Limited with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited

1 The Board of Directors of Piramal Capital Limited (PCL) and the Board of Directors of Piramal Finance Limited (PFL) had at their respective meetings held on October 12, 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from March 31, 2018 ("Appointed date") The National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on April 06, 2018, have sanctioned the Scheme of Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL The certified copy of the NCLT, sanctioning the Scheme was filed with the Registrar of Companies, Maharashtra, Mumbai on May 23, 2018 (the "Effective Date")

In accordance with the said Scheme and as per the approval of the National Company Law Tribunal :

a) The amalgamation had been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme had been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.

b) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies was being discharged by way of issue of 18,044,517,320 equity shares of Rs 10/- each at face value per share to the shareholder of PFL and PCL as per following share exchange ratio (without payment being received in cash)

i) 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in PFL pre amalgamation.

ii) 1 equity share of face value of Rs 10 each for every 5 equity shares of face value of Rs 2 each held in PCL pre amalgamation

2 Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to Rs. 783,027 lakhs as at the Appointed date had been transferred to the Transferee Company at their respective fair values as determined by an independent Valuer. The balance amount of Rs 1,021,428 lakhs had been recorded as goodwill on amalgamation and Rs. 3 lakhs as capital reserve.

3 Break down of the purchase consideration into net assets and goodwill is as under:

(Rs. in Lakhs)

	Particulars	PFL	PCL	Total
I	**Consideration paid for acquisition**	18,04,252	200	18,04,452
II	**Net assets acquired on Appointed date**	7,82,824	203	7,83,027
III	**Goodwill (I - II)**	10,21,428	(3)	10,21,425

4 The amalgamation had been accounted under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

39 B. Amalgamation of Dewan Housing Finance Corporation with erstwhile Piramal Capital & Housing Finance Private Limited

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 Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the Resolution Plan by paying Rs 34,25,000 lakhs on September 28, 2021 through cash consideration of Rs. 14,71,747 lakhs (of which Rs. 12,80,000 lakhs paid out of acquired cash) and issue of Debentures of Rs. 19,53,253 lakhs and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits into the Company's strategy to diversify the loan book and helps achieve scale its retail lending business.

The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCFHL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these financial statements issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Company has also incurred a transaction cost of Rs 14,272 lakh and reported this as an acquisition related cost disclosed as Exceptional items.

Details in respect of business combination is provided below:

(INR in lakhs)

No	Particulars	Amount
A	Consideration transferred	
	Cash (including acquired cash of INR 12,80,000 lakhs)	14,71,747
	Fair value of Debentures issued	19,12,369
	Total consideration (A)	**33,84,116**
B	**Fair value of assets identifiable assets and liabilities recognised as a result of the Reverse Acquisition**	
	Assets	
(i)	Loans	22,61,450
(ii)	Investments	3,07,491
(iii)	Cash & Cash Equivalents	14,62,591
(iv)	Property, Plant & Equipment	45,287
(v)	Other assets	1,08,453
	Total tangible assets acquired (a)	**41,85,272**
	Liabilities	
(i)	Securitised borrowings	(3,22,649)
(ii)	Other Financial Liabilities	(72,060)
(iii)	Trade Payables	(31,792)
(iv)	Other liabilities	(5,589)
(v)	Other Non-Financial Liabilities	(8,103)
(vi)	Tax liabilities	(3,43,700)
	Total liabilities acquired (b)	**(7,83,893)**
	Net assets recognised pursuant to the Scheme (B)- (a-b)	34,01,379
C	**Goodwill/(Capital Reserve) (A-B)**	**(17,263)**

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Walker Chandiok & Co LLP Mumbai Chartered Accountants

39 B. Amalgamation of Dewan Housing Finance Corporation with erstwhile Piramal Capital & Housing Finance Private Limited

Capital reserve represents the gain on bargain purchase which is directly recognized in other equity as capital reserve

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Company.

Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs 343,700 lakhs pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 620,900 lakhs relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which is currently being litigated and where the Company expects a favourable outcome of the proceedings.

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of the Company, the Company has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors

Pursuant to the merger becoming effective from September 30, 2021, the Company allotted 2,13,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 208,096 lakhs into Share Capital and continuation of balance of reserves aggregating to Rs. 48,554 lakhs and recognition of reserves of DHFL on the implementation date aggregating to Rs 4,04,784 lakhs, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favor of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Company has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of DHFL Pramerica Life Insurance Company Limited (DPLI). Based on the evaluation of rights available under the shareholders agreement, DPLI has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit / (loss) of DPLI with effect from the implementation date

In accordance with the Resolution Plan, the Company has presented acquired specified financial assets (as per the approved Scheme vide NCLT order dated 7 June 2021) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair values as determined above is separately presented as a liability (liability representing fair value adjustment). The liability representing fair value adjustment is dealt with in the income statement as a component of interest income consistent with the requirements of Ind AS 109.

In view of the foregoing, the financial statements of the accounting acquiree have been included from the implementation date i.e September 30, 2021. The previous year financial statements presented above are, thus that of PCHFL and not comparable with the current period financial statements for the year ended March 31, 2022 which comprises of the result of 6 months operation of DHFL and twelve months of PCHFL.

According to the Resolution Plan, the distribution of proceeds from recovery of fradulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. According to the Company, the DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the financial statements for the year ended 31 March 2022 even in the eventuality of the matter being decided against the Company.

Revenue and profit contribution

The acquired business contributed revenue from operation of Rs 1,54,915 Lakh and profit of Rs 75,058 Lakh to the Company for the year ended 31 March 2022.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Financial Statements (Continued)
for the year ended March 31, 2022

(Currency : Rs in lakhs)

40 **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. **Subsidiaries**

DHFL Advisory & Investments Private Limited (w.e.f. 30.09.2021)
DHFL Holdings Limited (w.e.f. 30.09.2021)
DHFL Investments Limited (w.e.f. 30.09.2021)

B. **Fellow subsidiaries**

Piramal Fund Management Private Limited
PHL Fininvest Private Limited
Piramal Securities Limited
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Private Limited
Piramal Pharma Limited

C. **Other related parties where common control exists**

Aasan Corporate Solutions Private Limited
Brickex Advisors Private Limited
Piramal Corporate Services Private Limited
Piramal Foundation for Educational Leadership
Piramal Foundation
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Piramal Udgam Data Management Solution
PRL Agastya Private Limited
DHFL Ventures Trustee Company Private Limited (w.e.f. 30.09.2021) (Associate)
Pramerica Life Insurance Limited (w.e.f. 30.09.2021) (Joint Venture)

D. **Key Management Personnel**

Mr. Khushru Jijina (Till 30.09.2021)
Jairam Sridharan (w.e.f. 07.10.2021)

E **Non-Executive/Independent Directors**

Mr. Deepak Satwalekar (Up to 26.07.2021)
Mr. Suhail Nathani
Mr. Gautam Doshi

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants ★

Piramal Capital & Housing Finance Ltd. ★

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

F. Details of transactions with related parties

Details of Transactions	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive/ Independent Directors		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
Rent paid												
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	1,099	1,300	-	-	1,099	1,300
- PRL Agastya Private Limited	-	-	-	-	-	-	135	-	-	-	135	-
TOTAL	-	-	-	-	-	-	1,234	1,300	-	-	1,234	1,300
Royalty Paid												
- Piramal Corporate Services Limited	-	-	-	-	-	-	4,430	3,995	-	-	4,430	3,995
TOTAL	-	-	-	-	-	-	4,430	3,995	-	-	4,430	3,995
Donation Given												
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	840	2,503	-	-	840	2,503
- Piramal Foundation	-	-	-	-	-	-	1,462	-	-	-	1,462	-
- Kaivalya Education Foundation	-	-	-	-	-	-	425	-	-	-	425	-
TOTAL	-	-	-	-	-	-	2,727	2,503	-	-	2,727	2,503
Other Borrowing Cost												
- Piramal Enterprises Limited	524	4,586	-	-	-	-	-	-	-	-	524	4,586
TOTAL	524	4,586	-	-	-	-	-	-	-	-	524	4,586
Arranger Fees for downselling of Assets												
- Piramal Securities Limited	-	-	-	-	1,123	1,098	-	-	-	-	1,123	1,098
TOTAL	-	-	-	-	1,123	1,098	-	-	-	-	1,123	1,098
Fees Paid												
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	4	3	-	-	4	3
- Piramal Fund Management Private Limited	-	-	-	-	218	790	-	-	-	-	218	790
- Piramal Finance Sales & Services Private Limited	-	-	-	-	4,840	373	-	-	-	-	4,840	373
TOTAL	-	-	-	-	5,058	1,163	4	3	-	-	5,062	1,166
Reimbursement of Expenses Received												
- PHL Fininvest Private Limited	-	-	-	-	25	-	-	-	-	-	25	-
- Piramal Asset Management Private Limited	-	-	-	-	1	-	-	-	-	-	1	-
- Piramal Fund Management Private Limited	-	-	-	-	7	-	-	-	-	-	7	-
- Piramal Securities Limited	-	-	-	-	4	-	-	-	-	-	4	-
TOTAL	-	-	-	-	37	-	-	-	-	-	37	-
Reimbursement of expenses												
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	26	35	-	-	26	35
- Brickex Advisors Private Limited	-	-	-	-	-	-	1	2,176	-	-	1	2,176
- Piramal Enterprises Limited	362	15	-	-	-	-	-	-	-	-	362	15
- Piramal Pharma Limited	-	-	-	-	29	3	-	-	-	-	29	3
- PRL Agastya Private Limited							34				34	-
TOTAL	362	15	-	-	29	3	61	2,211	-	-	452	2,229

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures. (Continued)

F. Details of transactions with related parties

Details of Transactions	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive/ Independent Directors		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
Remuneration to KMP*												
- Mr Khushru Jijina	-	-	-	-	-	-	-	-	2,021	620	2,021	620
- Mr Jairam Sridharan									410	-	410	-
TOTAL	-	-	-	-	-	-	-	-	2,431	620	2,431	620
Sitting Fees paid to Non-Executive/Independent Directors												
- Mr Deepak Satwalekar	-	-	-	-	-	-	-	-	2	8	2	8
- Mr Gautam Doshi	-	-	-	-	-	-	-	-	7	8	7	8
- Mr Suhail Nathani	-	-	-	-	-	-	-	-	9	13	9	13
TOTAL	-	-	-	-	-	-	-	-	18	29	18	29
Interest paid												
- Piramal Enterprises Limited	21,350	19,494	-	-	-	-	-	-	-	-	21,350	19,494
TOTAL	21,350	19,494	-	-	-	-	-	-	-	-	21,350	19,494
Interest Received												
- Piramal Enterprises Limited	-	570	-	-	-	-	-	-	-	-	-	570
- PHL Fininvest Private Limited	-	-	-	-	11,477	12,545	-	-	-	-	11,477	12,545
- Piramal Fund Management Private Limited	-	-	-	-	-	565	-	-	-	-	-	565
- Piramal Investment Advisory Services Private Limited	-	-	-	-	2,859	2,681	-	-	-	-	2,859	2,681
- Piramal Asset Management Private Limited	-	-	-	-	-	19	-	-	-	-	-	19
TOTAL	-	570	-	-	14,336	15,810	-	-	-	-	14,336	16,380
Insurance Commission Income												
- Pramerica Life Insurance Limited	-	-	-	-	-	-	76	-	-	-	76	-
TOTAL	-	-	-	-	-	-	76	-	-	-	76	-
Lease Rent Income												
- PHL Fininvest Private Limited	-	-	-	-	77	75	-	-	-	-	77	75
- Piramal Securities Limited	-	-	-	-	41	81	-	-	-	-	41	81
- Pramerica Life Insurance Limited	-	-	-	-	-	-	8	-	-	-	8	-
TOTAL	-	-	-	-	118	156	8	-	-	-	126	156

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

K K Mankeshwar & Co. Chartered Accountants ★

Piramal Capital & Housing Finance Ltd. ★

40 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		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive/ Independent Directors		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
ICD repaid												
- Piramal Enterprises Limited	-	2,01,900	-	-	-	-	-	-	-	-	-	2,01,900
TOTAL	-	2,01,900	-	-	-	-	-	-	-	-	-	2,01,900
ICD taken												
- Piramal Enterprises Limited	-	3,08,500	-	-	-	-	-	-	-	-	-	3,08,500
TOTAL	-	3,08,500	-	-	-	-	-	-	-	-	-	3,08,500
ICD Given												
- Piramal Enterprises Limited	-	1,61,550	-	-	-	-	-	-	-	-	-	1,61,550
- PHL Fininvest Private Limited	-	-	-	-	-	1,27,300	-	-	-	-	-	1,27,300
- Piramal Fund Management Private Limited	-	-	-	-	-	26,700	-	-	-	-	-	26,700
- Piramal Investment Advisory Services Private Limited	-	-	-	-	-	26,167	-	-	-	-	-	26,167
- Piramal Asset Management Private Limited	-	-	-	-	-	900	-	-	-	-	-	900
TOTAL	-	1,61,550	-	-	-	1,81,067	-	-	-	-	-	3,42,617
Repayment of ICD Given												
- Piramal Enterprises Limited	-	1,61,550	-	-	-	-	-	-	-	-	-	1,61,550
- PHL Fininvest Private Limited	-	-	-	-	45,200	1,51,525	-	-	-	-	45,200	1,51,525
- Piramal Fund Management Private Limited	-	-	-	-	-	26,700	-	-	-	-	-	26,700
- Piramal Investment Advisory Services Private Limited	-	-	-	-	24,840	1,327	-	-	-	-	24,840	1,327
- Piramal Asset Management Private Limited	-	-	-	-	-	900	-	-	-	-	-	900
TOTAL	-	1,61,550	-	-	70,040	1,80,452	-	-	-	-	70,040	3,42,002
Loan/ Investments portfolio transferred from												
- Piramal Enterprises Limited	-	38,842	-	-	-	-	-	-	-	-	-	38,842
- PHL Fininvest Private Limited	-	-	-	-	67,790	4,86,547	-	-	-	-	67,790	4,86,547
TOTAL	-	38,842			67,790	4,86,547	-	-	-	-	67,790	5,25,389

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

K K Mankeshwar & Co. Chartered Accountants ★

Piramal Capital & Housing Finance Ltd. ★

40 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		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive/ Independent Directors		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
Loan portfolio transferred to												
- PHL Fininvest Private Limited	-	-	-	-	49,953	376,223	-	-	-	-	49,953	376,223
TOTAL	-	-	-	-	49,953	376,223	-	-	-	-	49,953	376,223
NCD Buyback												
- Piramal Enterprises Limited	25,000.00	15,000.00	-	-	-	-	-	-	-	-	25,000	15,000
TOTAL	25,000	15,000	-	-	-	-	-	-	-	-	25,000	15,000
Security Deposit Refunded												
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	185	-	-	-	185	-
TOTAL	-	-	-	-	-	-	185	-	-	-	185	-
Security deposit placed												
- PRL Agastya Private Limited	-	-	-	-	-	-	110	-	-	-	110	-
TOTAL	-	-	-	-	-	-	110	-	-	-	110	-
Prepaid Expenses												
- Piramal Enterprises Limited	-	12	-	-	-	-	-	-	-	-	-	12
- Piramal Pharma Limited	-	-	-	-	-	10	-	-	-	-	-	10
TOTAL	-	12	-	-	-	10	-	-	-	-	-	22
Payable												
- Piramal Enterprises Limited	266,929	293,554	-	-	-	-	-	-	-	-	266,929	293,554
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	10	-	-	-	10
- PHL Fininvest Private Limited	-	-	-	-	698	680	-	-	-	-	698	680
- Brickex Advisors Private Limited	-	-	-	-	-	-	-	9	-	-	-	9
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	1	0	-	-	1	0
- Piramal Pharma Limited	-	-	-	-	18	14	-	-	-	-	18	14
- Piramal Corporate Services Limited	-	-	-	-	-	-	2,725	276	-	-		
- Piramal Finance Sales & Services Private Limited	-	-	-	-	956	-	-	-	-	-	956	-
- PRL Agastya Private Limited	-	-	-	-	-	-	97	-	-	-	97	-
TOTAL	266,929	293,554	-	-	1,672	694	2,823	295	-	-	268,699	294,267
Receivables												
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	411	592	-	-	411	592
- PHL Fininvest Private Limited	-	-	-	-	70,075	115,275	-	-	-	-	70,075	115,275
- Piramal Investment Advisory Services Private Limited	-	-	-	-	-	24,840	-	-	-	-	-	24,840
- Piramal Finance Sales & Services Private Limited	-	-	-	-	1,507	20	-	-	-	-	1,507	20
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	90	-	-	-	90	-
- Kaivalya Education Foundation	-	-	-	-	-	-	30	-	-	-	30	-
- Brickex Advisors Private Limited	-	-	-	-	-	-	91	91	-	-	91	91
- PRL Agastya Private Limited	-	-	-	-	-	-	110	-	-	-	110	-
- Pramerica Life Insurance Limited	-	-	-	-	-	-	54	-	-	-	54	-
TOTAL	-	-	-	-	71,582	148,135	786	683	-	-	72,368	148,818
Investments												
- DHFL Advisory & Investments Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
- DHFL Holding Limited	-	-	1	-	-	-	-	-	-	-	1	-
- DHFL Investments Limited	-	-	102,043	-	-	-	-	-	-	-	102,043	-
TOTAL	-	-	102,044	-	-	-	-	-	-	-	102,044	-

*Excludes provision for gratuity and leave encashment

(Currency : Rs in lakhs)

41 Employee Benefits:

Charge to the Standalone Statement of Profit and Loss based on Defined Contribution Plans

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to Regional Provident Fund Office	878	502
Contribution to Pension Fund	53	44
Employer's contribution to Employees' State Insurance	1	0*

*Amount less than Rs 1 lakh

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 defined benefit gratuity plan in India which is funded. 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 Employees Group Gratuity Trusts 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	(Funded) Gratuity Year Ended March 31, 2022	(Funded) Gratuity Year Ended March 31, 2021
Present Value of Benefit Obligation as at beginning of the year	1,229	1,158
Interest Cost	167	76
Current Service Cost	342	237
Past Service Cost	87	
Liability transferred in	2,743	-
(Liability Transferred Out/ Divestments)	(434)	-
Benefits paid by Employer	(306)	(69)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(112)	
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(31)	(1)
Actuarial (Gains)/Losses on Obligations - Due to Experience	125	(172)
Present Value of Defined Benefit Obligation as at the end of the year	3,810	1,229

B. Fair value of plan assets

Particulars	(Funded) Gratuity As at March 31, 2022	(Funded) Gratuity As at March 31, 2021
Fair Value of Plan Assets as at beginning of the year	1,267	-
Interest income	155	-
Contributions by the Employer	-	1,158
Assets transferred in/ Acquisition	2,306	-
Return on Plan Assets, Excluding Interest Income	28	109
Fair value of plan assets as at the end of the year	3,756	1,267

C. Amount recognised in the Balance Sheet

Particulars	(Funded) Gratuity As at March 31, 2022	(Funded) Gratuity As at March 31, 2021
Present Value of Benefit Obligation at the end of the year	(3,810)	(1,228)
Fair Value of Plan Assets at the end of the year	3,756	1,267
Funded Status (surplus/ (deficit))	(53)	38
Net (Liability)/Asset Recognized in the Balance Sheet	(53)	38

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41 Employee Benefits: *(Continued)*

D. Net interest cost for current year

Particulars	(Funded) Gratuity Year Ended March 31, 2022	(Funded) Gratuity Year Ended March 31, 2021
Present Value of Benefit Obligation at the Beginning of the year	1,229	1,158
(Fair Value of Plan Assets at the Beginning of the year)	(1,267)	-
Net Liability/(Asset) at the Beginning	(38)	1,158
Interest Cost	167	76
(Interest Income)	(156)	-
Net Interest Cost for current year	11	76

E. Expenses recognised in Statement of Profit and Loss

Particulars	(Funded) Gratuity Year Ended March 31, 2022	(Funded) Gratuity Year Ended March 31, 2021
Current Service Cost	342	237
Interest Cost	11	76
Past Service Cost	87	-
Total Expenses / (Income) recognised in the Statement of Profit and Loss	440	313

F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year

Particulars	(Funded) Gratuity Year Ended March 31, 2022	(Funded) Gratuity Year Ended March 31, 2021
Actuarial (Gains)/Losses on Obligations	(18)	(173)
Return on Plan Assets, Excluding Interest Income	(29)	(109)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the year recognized in OCI	(47)	(282)

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	-	-

H. Principal actuarial assumptions used:

Particulars	(Funded) Gratuity Year Ended March 31, 2022	(Funded) Gratuity Year Ended March 31, 2021
Expected Return on Plan Assets	6.70%	6.57%
Rate of discounting	6.70%	6.57%
Rate of salary increase	9.00%	9.00%
Rate of employee turnover	For service 4 years and below 20.00% p.a. For service 5 years and above 10.00% p.a	10.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

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Notes to the Standalone Financial Statements *(Continued)*
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(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

I. Balance Sheet Reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Net Liability	(38)	1,158
Expenses Recognized in Statement of Profit or Loss	440	313
Expenses Recognized in OCI	(47)	(282)
Net Liability/(Asset) Transfer In	438	-
Net (Liability)/Asset Transfer Out	(434)	
Benefit Paid	(306)	(69)
(Employer's Contribution)	-	(1,158)
Net Liability/(Asset) Recognized in the Balance Sheet	53	(38)

J. Category of Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Government of India assets	-	-
State Government securities	-	-
Special deposits scheme	-	-
Debt instruments	-	-
Corporate bonds	-	-
Cash and cash equivalents	-	-
Insurance fund	3,756	1,267
Asset-backed securities	-	-
Structured debt	-	-
Other	-	-
Total	3,756	1,267

K. Other Details

Particulars	As at March 31, 2022	As at March 31, 2021
No of Active Members	3,099	615
Per Month Salary For Active Members	1,225	380
Weighted Average Duration of the Projected Benefit Obligation	8	8
Average Expected Future Service	6	8
Projected Benefit Obligation (PBO)	3,809	1,228
Prescribed Contribution For Next Year (12 Months)	569	176

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	3,809	1,229
(Fair Value of Plan Assets at the End of the year)	(3,756)	(1,267)
Net Liability/(Asset) at the End of the year	53	(38)
Interest Cost	255	81
(Interest Income)	(252)	(83)
Net Interest Cost for Next Year	3	(2)

M. Expenses Recognized in the 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	516	214
Net Interest Cost	4	(3)
(Expected Contributions by the Employees)	-	-
Expenses Recognized	520	211

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41 Employee Benefits: *(Continued)*

N. Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2022	As at March 31, 2021
1st Following Year	518	80
2nd Following Year	325	92
3rd Following Year	413	309
4th Following Year	368	129
5th Following Year	347	78
Sum of Years 6 To 10	1,563	413
Sum of Years 11 and above	2,759	1,021

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	3,809	1,229
Delta Effect of +1% Change in Rate of Discounting	(220)	(77)
Delta Effect of -1% Change in Rate of Discounting	248	88
Delta Effect of +1% Change in Rate of Salary Increase	236	85
Delta Effect of -1% Change in Rate of Salary Increase	(215)	(76)
Delta Effect of +1% Change in Rate of Employee Turnover	(40)	(19)
Delta Effect of -1% Change in Rate of Employee Turnover	43	20

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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 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.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The entity has a defined benefit gratuity plan in India (funded). The entity'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 a 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.

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

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41 Employee Benefits: ***(Continued)***

Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset

Salary Risk

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

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. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk

The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk:

Plan is having a concentration risk as all the assets are invested with the insurance company

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42 Fair Value Disclosures

a)

Categories of Financial Instruments:	March 31, 2022 FVTPL	March 31, 2022 FVOCI	March 31, 2022 Amortised Cost*	March 31, 2021 FVTPL	March 31, 2021 Amortised Cost*
Financial Assets					
Investments	6,41,093	3,232	8,55,124	5,44,838	6,46,791
Loans	2,64,125	-	52,46,278	87,072	24,99,884
Derivative financial instruments	2,749	-	-	-	-
Cash and Bank Balances #	-	-	5,15,898	-	4,33,167
Other Financial Assets #	-	-	1,12,533	-	81,759
	9,07,967	3,232	67,29,835	6,31,910	36,61,601
Financial liabilities					
Borrowings #	-	-	46,41,581	-	29,86,715
Trade Payables #	-	-	52,008	-	9,284
Derivative financial instruments	-	-	-	579	-
Other Financial Liabilities #	-	-	89,925	-	10,262
	-	-	47,83,514	579	30,06,261

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.	28,105	-	-	28,105	28,105
Optionally Convertible Debentures	i.	30,947	-	-	30,947	30,947
Investments in Mutual Funds	ii.	1,32,068	1,32,068	-	-	1,32,068
Project Receivables	i.	1,81,060	-	-	1,81,060	1,81,060
Investment in AIF	i.	1,98,824	-	-	1,98,824	1,98,824
Others	i.	70,089	-	-	70,089	70,089
Loans	i.	2,64,125	-	-	2,64,125	2,64,125
Derivative financial instruments		2,749	-	-	2,749	2,749
Measured at FVOCI						
Investments						
Investment in Preference Share	i.	3,232	-	-	3,232	3,232
Measured at Amortised Cost*						
Investments						
Redeemable Non-Convertible Debentures/ Bonds	iii.	8,55,124	37,317	28,089	7,76,080	8,41,486
Loans	iii.	52,46,278	-	-	51,99,237	51,99,237
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	iii.	46,41,581	-	-	46,00,645	46,00,645

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.	29,810	-	-	29,810	29,810
Investments in Mutual Funds	ii.	1,90,007	1,90,007	-	-	1,90,007
Project Receivables	i.	1,75,960			1,75,960	1,75,960
Investment in AIF	i.	1,49,061			1,49,061	1,49,061
Loans	i.	87,072	-	-	87,072	87,072
Measured at Amortised Cost*						
Investments						
Redeemable Non-Convertible Debentures	iii.	6,46,791	-	-	6,57,537	6,57,537
Loans	iii.	24,99,884	-	-	25,08,812	25,08,812
Financial Liabilities						
Measured at FVTPL						
Derivative financial instruments		579	-	-	579	579
Measured at Amortised Cost						
Borrowings	iii.	29,86,715	-	-	30,05,410	30,05,410

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42 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

ii Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments

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 & fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs 8,62,437 lakhs (31 March 2021 - Rs 1,75,823 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 March 31, 2022 and March 31, 2021

Particulars	Other Investments	Debentures	Loans	Total
As at March 31, 2020	1,65,830	31,753	59,425	2,57,008
Transfer Out	-	-	(36,851)	(36,851)
Acquisitions	1,73,881	(3,463)	63,486	2,33,903
(Losses) recognised in profit or loss	(14,690)	1,520	1,012	(12,158)
As at March 31, 2021	3,25,021	29,809	87,072	4,41,902
Transfer on account of reverse merger (Refer Note 39B)	97,827	-	1,94,250	2,92,077
Transfer in/ (Out)	40,261	-	-	40,261
Acquisitions	8,996	51,984	(17,396)	43,584
(Losses) recognised in profit or loss	(24,900)	(22,741)	200	(47,441)
As at March 31, 2022	4,53,205	59,052	2,64,125	7,76,382

d) Sensitivity for FVTPL Instruments

Impact on the Company's profit before tax if discount rates had been 100 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	NCD	Discount rate	0.7%	-	-
	Investment	Sale Price	5.0%	7,120	7,130
	Term Loan	Discount rate	0.7%	(97)	98
	Term Loan	Sale Price	5.0%	3,170	(3,170)
Discounted Cash Flow Model as at March 31, 2021	NCD	Discount rate	0.7%	(162)	165
	Investment	Sale Price	5.0%	7,570	(7,550)
	Term Loan	Discount rate	0.7%	(151)	154
	Term Loan	Sale Price	5.0%	3,140	(3,140)

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43 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 13 offset by cash and cash equivalents and earmarked balances with banks) and total equity of the Company.

The Company being a Non-Deposit taking Housing Finance Company 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 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 Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by NHB.

The capital components of the Company are as given below:	March 31, 2022	March 31, 2021
Total Equity	22,25,921	21,48,664
Borrowings	46,41,581	29,86,715
Total Debt	46,41,581	29,86,715
Cash and Cash equivalents	(4,61,860)	(3,55,849)
Bank balances other than above	(54,038)	(77,318)
Net Debt	41,25,683	25,53,548
Debt equity ratio	2.09	1.39

44 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 and Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB 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 Audit and Risk Management Committee of the Board ("ARMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the 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

44.1 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 an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The 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 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 (including bank overdraft)	35,000	-
- Expiring beyond one year	-	-
Undrawn credit lines	35,000	-

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.

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44 Risk management *(Continued)*

44.1 Liquidity Risk *(Continued)*

Maturities of Financial Liabilities	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	10,21,287	14,93,535	15,40,289	19,60,656
Trade Payables	51,875			
Other Financial Liabilities*	22,407	4,766	1,734	757
	10,95,569	14,98,301	15,42,023	19,61,413

Maturities of Financial Liabilities	March 31, 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	9,40,648	12,36,420	11,87,046	4,83,508
Trade Payables	9,284	-	-	-
Other Financial Liabilities	7,982	2,374	628	532
	9,57,914	12,38,794	11,87,674	4,84,040

*This includes lease liabilities

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	2,62,250	4,17,917	3,10,798	4,00,429
Loans	12,08,442	19,65,392	10,90,311	22,42,541
Other Financial Assets	1,13,782	13,907		
	15,84,474	23,97,216	14,01,109	26,42,970

Maturities of Financial Assets	March 31, 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	40,657	4,35,022	5,07,388	93,284
Loans	4,07,708	12,88,710	5,22,273	8,65,414
Other Financial Assets	58,798	39,818	-	-
	5,07,163	17,63,550	10,29,661	9,58,698

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44 Risk management *(Continued)*

44.2 Interest Rate Risk

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

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

The exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs.17,55,030 lakhs (31 March 2021- Rs.18,96,623 lakhs) and fixed rate borrowings are Rs. 28,86,488 lakhs (31 March 2021- Rs. 10,90,091 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	For the Year Ended			
	March 31, 2022		March 31, 2021	
	Higher	Lower	Higher	Lower
Sensitivity Analysis on Floating Rate Borrowings	(17,659)	17,659	(19,072)	19,072
Sensitivity Analysis on Floating Rate Assets	50,422	(50,422)	19,742	(19,742)

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44 Risk management *(Continued)*

44.3 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.

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

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	41.73%	77.00%
Renewables	3.73%	6.66%
Retail	48.27%	13.83%
Others	6.27%	2.51%

Credit Risk Management

For retail lending business, credit risk management is achieved by considering various factors like:
- Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Company and is spelt out in the Credit Policy.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Company monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

For wholesale lending business, credit risk management is achieved by considering various factors like :
- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective
- Exit – This is an assessment of the liquidity of the loan or investment

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

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

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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44 Risk management *(Continued)*

44.3 Credit Risk *(Continued)*

Provision for Expected Credit Loss

Wholesale Lending:
The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) at the reporting dates For different product categories (Real Estate, Senior debt, Lease Rental Discounting, Loan Against Shares, Mezzanine etc), the Company has developed scorecard that makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative in nature These scorecards helps in determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

Retail Lending:
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.

POCI:
POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

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 (LGD)

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 :

Wholesale Lending:
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.

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

Impact of Covid -19 pandemic on the credit risk

COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in India and around the world during the previous financial year. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, had led to volatility in global and Indian financial markets and a decrease in global and local economic activities. The revival of economic activity has since improved supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which any new wave of COVID19 pandemic will impact the Company's results will depend on ongoing as well as future developments, 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 us.

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44 Risk management *(Continued)*

44.3 Credit Risk *(Continued)*

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	5,40,329	14,302	5,26,027
	Loans	39,11,199	94,507	38,16,692
Assets for which credit risk has increased significantly but not credit impaired	Investments	1,61,381	81,124	80,257
	Loans	1,19,561	40,745	78,815
Assets for which credit risk has increased significantly and credit impaired	Investments	24,484	12,628	11,856
	Loans	1,33,045	58,089	74,956
Purchased or Originated credit impaired (POCI)	Loans	9,07,542	5,61,042	3,46,500
Total		57,97,540	8,62,437	49,35,103

* Above figures are net of Fair Value adjustements on account of business combination (refer note 39B)

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	5,45,372	15,186	5,30,185
	Loans	24,37,148	59,238	23,77,910
Assets for which credit risk has increased significantly but not credit impaired	Investments	96,177	29,576	66,601
	Loans	84,517	17,982	66,535
Assets for which credit risk has increased significantly and credit impaired	Investments	24,484	11,691	12,793
	Loans	87,245	42,150	45,095
Total		32,74,943	1,75,823	30,99,119

*includes FVTPL instrument outstanding amount of Rs.4,76,760 lakhs (31 March 2021- Rs.2,57,989 lakhs) (excluding investments in Alternate investments funds 'AIF' and mutual funds)

Reconciliation of Loss Allowance

For the year ended March 31, 2022

a)

Investments and Loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired	POCI
Balance at the beginning of the year	74,424	47,558	53,841	-
Transfer on Account of Merger	31,329	-	7,448	5,61,042
Transferred to 12-month ECL	235	(151)	(83)	-
Transferred to Lifetime ECL not credit impaired	(562)	620	(59)	-
Transferred to Lifetime ECL credit impaired	(430)	(79)	510	-
Bad debts written off			(3,058)	(1,645)
On Account of Rate (Reduction)/Increase	7,260	61,446	14,981	1,645
On Account of Disbursements	18,558	13,345	-	-
On Account of Repayments	(22,006)	(870)	(2,862)	-
Balance at the end of the year	1,08,808	1,21,869	70,718	5,61,042

For the year ended March 31, 2021

a)

Investments and Loans	12 months ECL	Lifetime ECL not credit impaired	ECL credit impaired
Balance at the beginning of the year	1,12,067	37,827	26,147
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(842)	842	-
Transferred to Lifetime ECL credit impaired	(1,130)	(3,789)	4,919
On Account of Rate (Reduction)/Increase	(29,687)	12,688	22,775
On Account of Disbursements	58,011	-	-
On Account of Repayments	(63,995)	(10)	-
Balance at the end of the year	74,424	47,558	53,841

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44 Risk management *(Continued)*

44.3 Credit Risk *(Continued)*

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 18)	10,111	9,023

c) Description of Collateral held as security and other credit enhancements

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
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.

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)	86,812	57,888

44.4 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.

44.5 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Company's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

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.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strenthening quality assurance during onboarding and processing of transactions.

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.

44.6 Foreign exchange risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency i.e. INR. The Company has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions

The Company has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Company's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 45 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

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45 Accounting for cash flow hedge

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

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

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

Following table provides quantitative information regarding the hedging instrument as on March 31, 2022:

Type of risk/ hedge position	Nominal value (Liabilities)	Carrying amount of hedging instruments (included under "Financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as a basis for recognising hedge effectiveness	Changes in value of hedged item used as a basis for recognising hedge effectiveness
Cash Flow Hedge Foreign currency and Interest rate risk	52,264	2,749	14-Jun-24	1 : 1	9.30%	3,328	2,029

Following table provides quantitative information regarding the hedging instrument as on March 31, 2021:

Type of hedge and risks	Nominal value (Liabilities)	Carrying amount of hedging instruments (included under "Financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
Cash Flow Hedge Foreign currency and Interest rate risk	52,264	579	14-Jun-24	1 : 1	9.30%	2,363	(2,167)

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

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	3,328	-	9	Finance Cost
			2,021	Foreign Exchange (gain)/loss

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45 Accounting for cash flow hedge
Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2021:

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive Income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	2,363	-	(277)	Finance Cost
			(1,890)	Foreign Exchange (gain)/loss

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

Particulars	Movement in Cash flow hedge reserve for the years ended	Movement in Cash flow hedge reserve for the years ended
	March 31, 2022	March 31, 2021
Opening balance	(1,596)	(1,449)
Effective portion of changes in fair value:		
a) Interest rate and foreign currency risk	3,328	(2,363)
Net amount reclassified to profit or loss:		
a) Interest rate risk	9	(277)
b) Foreign currency risk	2,021	(1,890)
Tax on movements on reserves during the year	(327)	50
Closing balance	(624)	(1,596)

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46 Transfer of Financial Assets

Transferred financial assets that are not derecognised in their entirety

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

Securitisations/ Assignments	Year ended March 31, 2022	Year ended March 31, 2021
Carrying amount of transferred assets measured at amortised cost (held as Collateral)	2,80,839	1,00,869
Carrying amount of associated liabilities (Borrowings) (other than securities)- measured at amortized cost)	2,66,965	95,609
Fair Value of Assets	2,80,839	1,00,869
Fair Value of Associated Liabilities	2,66,965	95,609
Net Position at Fair Value	13,874	5,260

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Direct Assignment		
Carrying amount of transferred assets measured at amortised cost	16,22,042	-
Carrying amount of exposures retained by the Company at amortized cost	2,16,269	-

47 Foreign Currency Expenditure (on accrual basis)

Particulars	March 31, 2022	March 31, 2021
Professional Fees	1,216	256
Legal Fees	292	93
Membership & Subscription	-	22

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48 Additional disclosure in terms of RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April, 17, 2020

Particulars	March 31, 2022	March 31, 2021
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	-	11,635
Respective amount where asset classification benefits is extended	-	11,635
Provisions made during the Q4 FY2020	-	1,164
Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-	-

49 Impairment of Goodwill

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

As of March 31, 2022 , the estimated cash flows for a period of 6 years for the Company were developed using internal forecasts, and a pre-tax discount rate of 19.00% (31 Mar 2021- 17%) respectively. The cash flows beyond 6 years have been extrapolated assuming 5% (31 Mar 2021- 5%) growth rates, depending on the cash generating unit and the country of operations. The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.
Based on the above, no impairment was identified as of March 31, 2022 as the recoverable value of the cash generating unit exceeded the carrying values.

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50 Corporate Social Responsibility Expenditure

Particulars	March 31, 2022	March 31, 2021
Amount required to be spent by the company during the year	4,921	2,733
Amount spent during the year from Company's bank A/c	4,680	1,761
Closing Balance in Separate CSR Unspent Bank A/c	241	-
Shortfall at the end of the year,	-	972
Total of previous years shortfall,	-	-
Reason for shortfall,	-	Set off against earlier year expenditure
Nature of CSR activities	Promoting healthcare and education	Promoting healthcare and education
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	2,727	1,761
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	-	-

51 Additional Regulatory Information

i) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the 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

ii) There is a change in management w.e.f. 30th Sep 2021 on account of business combination (Refer note 39B), and the Company under new management has not been declared as a wilful deafulter by any bank or financial Institution or other lender.

iii) The Company has not done any trasactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

iv) The Company does not have any charges to be registered with ROC beyond the statutory period. In respect of satisfaction of charges, the Company had ongoing WCDL facility of Rs.45,000 lakhs which was repaid in FY22 . The charge satisfaction was pending as on 31st March 2022 for non-receipt of No Dues certificate from Axis Bank. With respect to the assets acquired under business combination, the Company is in the process of satisfying the charges on those assets which is procedural.

v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

vii) During the year the Company have not advanced or loaned or invested funds to any other person (s)or entity (ies), 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 on behalf of the Ultimate Beneficiaries.

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51 Additional Regulatory Information (Continue)

viii) During the year the Company have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) 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 Funding Party (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ix) The Company have not had 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).

x) 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

xi) Analytical Ratios

Particulars	31 March 2022	31 March 2021
(a) Capital to risk-weighted assets ratio (CRAR)	22.01%	32.30%
(b) Tier I CRAR	21.11%	32.06%
(c) Tier II CRAR	0.90%	0.24%
(d) Liquidity Coverage Ratio	201%	Refer Note 52.2

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For the year ended March 31, 2022

(Currency : Rs in Lakhs)

52 Additional Non-Banking Financial Company - HFC disclosures *(Continued)*

52.1 Gold Loan Disclosure

Loans granted against collateral of gold jewellery was 0.001% of total assets at March 31, 2022 (March 31, 2021: Nil).

52.2 Additional disclosure on Liquidity Coverage Ratio

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued guidelines on liquidity risk framework for NBFCs/HFCs. Apart from various process related aspects of the Liquidity risk management framework, the regulations require NBFCs/HFCs to maintain a manadated Liquidity Coverage Ratio (LCR). The objective of the LCR is to promote short-term resilience in the liquidity risk profile of NBFCs/HFCs. It does this by ensuring that the company has adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Further, RBI vide Circular No. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020, provided HFCs with time extension for minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, to be gradually increased to 100% by December 2025.
The company had LCR of 201% as of March 31, 2022 and 151% as of December 31, 2021, as against the LCR of 50% mandated by RBI. The company regularly reviews the maturity position of assets and liabilities and liquidity buffers, and ensures maintenance of sufficient quantum of High Quality Liquid Assets.

Sr. No.	Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021	
		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)*	5,42,291	5,31,897	4,62,804	4,62.804
	Cash Outflows				
2	Deposits (for deposit taking companies)	NA	NA	NA	NA
3	Unsecured wholesale funding	13.867	15,947	5,833	6.708
4	Secured wholesale funding	1,35,004	1,55,255	27,502	31.628
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*	1,30.500	1.50,075	2,03,833	2.34.408
(iii)	*Credit and liquidity facilities*	1,43.730	1,65,290	2,01,964	2,32.258
6	Other contractual funding obligations	-	-	-	-
7	Other contingent funding obligations	-	-	-	-
8	**Total Cash Outflows**	4,23,101	4,86.567	4,39,132	5,05,002
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	69.762	52,322	68,126	51,095
11	Other cash inflows	2,26,068	1.69,551	1,95,993	1,46,995
12	**Total Cash Inflows**	2,95,830	2,21,873	2,64,119	1,98,090
			Total Adjusted Value		**Total Adjusted Value**
13	TOTAL HQLA		5.31,897		4,62,804
14	TOTAL NET CASH OUTFLOWS		2.64,694		3,06,912
15	LIQUIDITY COVERAGE RATIO (%)		201%		151%

Note: In computing the above information, certain estimates and assumptions have been made by the management which has been relied by the statutory auditors

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Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

52 Additional Disclosure

52.3 Disclosure under Master Direction Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

Sl. No.	Particulars	As on Current Year FY ending	
		Pass through	Direct assignment
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	18	164.00
2.	Total amount of securitised assets as per books of the SPEs	259,768	1,898,776
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	57,924	240,063
	a) Off-balance sheet exposures	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	57,924	240,063
	• First loss	7,699	23,478
	• Others	50,225	216,585
4.	Amount of exposures to securitisation transactions other than MRR	Nil	Nil
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	NA	NA
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
i	Securitisation Asset Servicing Fee	-	761
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	-	
	(b) Repayment received	-	
	(c) Outstanding amount	29,281	32,883

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8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	Mar-2017	1.82%	2.40%
	Mar-2018	2.78%	2.37%
	Mar-2019	3.31%	2.43%
	Mar-2020	16.17%	11.12%
	Mar-2021	24.10%	21.20%
	Mar-2022	29.03%	25.31%
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	NIL	NIL
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding		
	(a) Directly/Indirectly received	94	1008
	(b) Complaints outstanding	-	-

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53 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

31st March 2022

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#	4,192,142	77,412	4,114,730	52,303	25,109
	Stage 2	280,484	121,574	158,910	2,104	119,469
Sub-total		4,472,626	198,986	4,273,640	54,407	144,578
Non-performing assets (NPA)						
Substandard	Stage 3	42,294	20,326	21,968	4,631	15,695
Doubtful - up to 1 year	Stage 3	21,659	11,208	10,451	5,947	5,261
1 to 3 years	Stage 3	51,010	27,445	23,565	31,784	(4,339)
More than 3 years	Stage 3	3,980	3,957	23	3,980	(23)
		76,649	42,610	34,039	41,711	899
Loss	Stage 3	1,677	1,673	4	1,677	(4)
Subtotal for NPA		120,620	64,609	56,011	48,019	16,590
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	879,633	9,743	869,890	-	9,743
	Stage 2	21,767	74	21,693	-	74
	Stage 3	-	-	-	-	-
Total Non POCI	Stage 1	5,071,775	87,155	4,984,620	52,303	34,852
	Stage 2	302,251	121,648	180,603	2,104	119,544
	Stage 3	120,620	64,609	56,011	48,019	16,590
	Total	5,494,646	273,412	5,221,234	102,426	170,985
POCI**		346,408	-	346,408	5,378	(5,378)
Grand Total (Non POCI + POCI)	Total	5,841,141	273,412	5,567,732	107,804	165,607

31st March 2021

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	2,972,409	74,424	2,897,985	22,056	52,368
	Stage 2	163,939	45,370	118,569	1,131	44,239
Sub-total		3,136,348	119,794	3,016,554	23,187	96,607
Non-performing assets (NPA)						
	Stage 2*	15,422	2,189	13,233	2,174	15
Substandard	Stage 3	53,931	19,751	34,180	8,090	11,661
Doubtful - up to 1 year	Stage 3	44,098	23,353	20,745	18,760	4,592
1 to 3 years	Stage 3	9,808	6,788	3,020	6,591	197
More than 3 years	Stage 3	3,949	3,949	-	3,949	-
		57,856	34,091	23,765	29,300	4,790
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		111,787	53,841	57,945	37,390	16,451
Other items such as guarantees, loan commitments, etc, which are in the scope of Ind AS 109 but not covered under current Income	Stage 1	737,010	9,023	727,987	-	9,023
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total Non POCI	Stage 1	3,709,419	83,447	3,625,972	22,056	61,391
	Stage 2	179,361	47,558	131,803	3,304	44,254
	Stage 3	111,787	53,841	57,945	37,390	16,451
	Total	4,000,567	184,846	3,815,720	62,750	122,096
POCI**		-	-	-	-	-
Grand Total (Non POCI + POCI	Total	4,000,567	184,846	3,815,720	62,750	122,096

*Represents the accounts which are in implementation phase as per One Time Restructing 'OTR'- resolution framework for COVID-19-related Stress based on RBI circular RBI/2020-21/16DOR No BP.BC 3 21.04.048/2020-21 dated August 6, 2020. These accounts are classified as substanderd as per RBI IRACP norms. However for the purpose of financial statements they are classified as "Stage 2 Assets".

** POCI - Purchase or originated Credit Impaired Portfolio (Net of ECL provision and Fair value)

Include Loan portfolio amounting Rs. 5,04,237 lakhs measured at Fair value

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54 Detail of the resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI Circular dated August 6, 2020 (Resolution Framework - 1.0) and May 5, 2021 (Resolution Framework - 2.0) as at March 31, 2022 are given below

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year**
Personal Loans	44,388	245	-	1,030	47,319
Corporate persons*	172,882	-	-	57	120,624
Of which MSMEs	22,777	-	-	57	24,232
Others	12,744	143	-	337	13,503
Total	230,114	388	-	1,424	181,446

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** Include exposure of loans where resolution plan implemented under the Resolution Framework for COVID-19 dated May 5, 2021 (Resolution Framework - 2.0).

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55 **Public disclosure on liquidity risk management framework**

1 **Funding Concentration based on significant counterparty (both deposits and borrowings)**

31 March 2022

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	14	3,066,248	NA	53.38%

31 March 2021

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	15	2,817,676	NA	49.05%

Note: significant counterparties includes Catalyst Trusteeship Ltd which is holding PCHFL NCDs on behalf of erstwhile creditors of DHFL in its role as global escrow agent as defined in the Global Settlement Trust Deed for the CIRP of DHFL

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)**

As at 31 March 2022

Amount	% of Total Borrowings
2,664,394	57.40%

As at 31 March 2021

Amount	% of Total Borrowings
2,460,946	82.40%

4 **Funding Concentration based on significant instrument/product**

As at 31 March 2022

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Term loan (secured) from banks	1,116,621	19.44%
2	Redeemable Non Convertible Debentures	2,871,266	49.98%
3	Intercorporate deposit from related party (Unsecured)	266,600	4.64%
4	Securtised Borrowing from Bank	266,965	4.65%

As at 31 March 2021

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Term loan (secured) from banks	1,476,760	47.38%
2	Redeemable Non Convertible Debentures (secured)	1,090,091	34.97%
3	Intercorporate deposit from related party (Unsecured)	266,600	8.55%
4	Term loan (secured) from Others	95,609	3.07%
5	Term loan (secured) - FCNR Loans	54,755	1.76%

5 **Stock Ratios:**

Sr. No.		Particulars	March 31, 2022
(a)	(i)	Commercial papers as a % of total public funds	0.76%
	(ii)	Commercial papers as a % of total liabilities	0.62%
	(iii)	Commercial papers as a % of total assets	0.44%
(b)	(i)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NIL
	(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	25.10%
	(ii)	Other short-term liabilities, if any as a % of total liabilities	20.28%
	(iii)	Other short-term liabilities, if any as a % of total assets	14.61%

Sr. No.		Particulars	March 31, 2021
(a)	(i)	Commercial papers as a % of total public funds	0.10%
	(ii)	Commercial papers as a % of total liabilities	0.09%
	(iii)	Commercial papers as a % of total assets	0.06%
(b)	(i)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NIL
	(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	24.54%
	(ii)	Other short-term liabilities, if any as a % of total liabilities	23.52%
	(iii)	Other short-term liabilities, if any as a % of total assets	13.92%

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
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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56 **Non-Banking Financial Company disclosures**

(i) **Disclosures as required in terms of Annex III of Master Direction – "Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021"**

Particulars Liabilities side :	Amount outstanding as at March 31, 2022	Amount overdue as at March 31, 2022
1 **Loans and advances availed by the HFC**		
inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	2,871,266	-
: Unsecured	12,660	-
(other than falling within the meaning of public deposits)		
(b) Deferred credits	-	
(c) Term loans	1,173,562	-
(d) Inter-corporate loans and borrowing	266,600	-
(e) Commercial paper	35,465	-
(f) Public deposits	-	-
(g) Other loans	282,028	-
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	-	-

Particulars Liabilities side :	Amount outstanding as at March 31, 2021	Amount overdue as at March 31, 2021
1 **Loans and advances availed by the HFC**		
inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	1,040,599	-
: Unsecured	49,493	-
(other than falling within the meaning of public deposits)		
(b) Deferred credits	-	-
(c) Term loans	1,447,435	-
(d) Inter-corporate loans and borrowing	266,600	-
(e) Commercial paper	2,898	-
(f) Public deposits	-	-
(g) Other loans	179,691	-
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	-	-

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	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	5,791,952	3,046,043
	(b) Unsecured	436,289	217,513
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	-	-

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External Public

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56 Additional Non-Banking Financial Company - HFC 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	-	-
(iii) Units of mutual funds	132,068	190,007
(iv) Government securities		-
(v) Others (please specify)		-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
Long term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	4	-
(v) Others -Redeemable Bonds	66,223	-
2. Unquoted :		
(i) Shares : (a) Equity	102,046	-
(b) Preference	3,232	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others		
-Project Receivable	181,060	175,960
-Pass through certificate	53,167	-
-Units of Security receipt	43,399	-
-Venture capital fund	1,588	-
-Investment in AIF	198,824	149,061

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

Category (Amount net of provision)	As at 31 March 2022		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	70,075	70,075
(c) Other related parties	-	-	-
2. Other than related parties	5,235,466	60,260	5,295,726
Total	5,235,466	130,335	5,365,801

Category (Amount net of provision)	As at 31 March 2021		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	140,115	140,115
(c) Other related parties	-	-	-
2. Other than related parties	2,873,799	73,818	2,947,617
Total	2,873,799	213,933	3,087,732

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56 Additional Non-Banking Financial Company - HFC disclosures (Continued)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31 March 2022	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	102,044	102,044
(c) Other related parties	-	-
2. Other than related parties	678,747	679,568
Total		

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31 March 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	515,028	515,028
Total		

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	120,621	111,787
(ii)	Net non-performing assets		
	(a) Related parties	-	-
	(b) Other than related parties	64,628	57,945
(iii)	Assets acquired in satisfaction of debt	-	-

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Notes to the Standalone Financial Statements *(Continued)*
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57 Disclosures required by the Reserve Bank of India

57.1 Minimum disclosures

The following additional disclosures have been given in terms of Annex IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('the Directions') issued by the National Housing Bank.

57.2 Summary of significant accounting policies

The accounting policies regarding key areas of operations are disclosed as note 3 of the financial statements.

57.3 Disclosures:

57.3.1 Details of Principal Business Criteria

Period	Percentage of total assets towards housing finance*#	Percentage of total assets towards housing finance for individuals*#
March 31, 2022	35.15%	17.75%
March 31, 2021	34.74%	6.95%

* Total assets is total of assets side of Balance sheet net of intangible assets and fair value adjustment on merger as disclosed in note 20.

\# Includes composite funding for land acquisition where housing construction undertaking is obtained from the borrower

The Reserve Bank of India has condoned the non-compliance with Principal Business Criteria (PBC) vide their communication dated 19th May, 2022 and has directed the Company to submit the revised Business Plan alongwith the Roadmap to achieve the PBC as per the deadline stated therein.

57.3.2 Capital

Particulars	March 31, 2022	March 31, 2021
(i) CRAR (%)	22.01%	32.30%
(ii) CRAR – Tier I Capital (%)	21.11%	32.06%
(iii) CRAR – Tier II Capital (%)	0.90%	0.24%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

57.3.3 Reserves Fund u/s 29C of NHB Act, 1987

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	50,150	29,461
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	50,150	29,461
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987*	10,515	20,689
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Transfer on account of reverse merger (Refer Note 39B)	1,83,899	
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	2,44,564	50,150
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	2,44,564	50,150

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K.K. Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd.

External Public

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

57.3 Disclosures *(continued)*

57.3.4 Investments:

Particulars	March 31, 2022	March 31, 2021
1. Value of Investments		
(i) Gross value of Investments		
(a) In India	781,612	679,566
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	781,612	679,566
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Note: The Company has certain investments in NCDs which are in nature of loans for the purpose of regulatory disclosures.

57.3.5 Derivatives

57.3.5.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	March 31, 2022	March 31, 2021
(i) The notional principal of swap agreements	52,264	52,264
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations und	2,749	-
(iii) Collateral required by the HFC upon entering into swaps	NA	NA
(iv) Concentration of credit risk arising from the swaps	NA	NA
(v) The fair value of the swap book	2,749	(579.00)

57.3.5.2 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 (As at March 31, 2021 - Nil).

57.3.5.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

Financial Risk Management

The company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.The Financial Risk Management and ALM Policy as approved by the Board sets limits for exposures on currency and other parameters. The company manages its interest rate and currency risk in accordance with the guidelines prescribed therein. Liquidity risk and Interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the company has also entered into derivative intruments for hedging. The currency risk on borrowings is actively managed mainly through a combination of currency swaps and forward contracts.

Refer note 2(iv) for hedge accounting policy, note 44 for financial risk management and note 45 for accounting for cash flow hedge.

B. Quantitative Disclosure

March 31, 2022

Particulars	Currency derivative*	Interest rate derivative
(i) Derivatives (Notional Principal Amount)	52,264	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	2,749	-
(b) Liability (-)	-	-
(iii) Credit Exposure	7,975	-
iv) Unhedged Exposures	-	-

*Currency Derivatives includes Cross Currency Interest rate swaps only.

March 31, 2021

Particulars	Currency derivative*	Interest rate derivative
(i) Derivatives (Notional Principal Amount)	52,264	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	579	-
(iii) Credit Exposure	4,647	-
iv) Unhedged Exposures	-	-

*Currency Derivatives includes Cross Currency Interest rate swaps only.

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2022

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India (Continued)

57.3 Disclosures *(continued)*

57.3.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

March 31, 2022

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Deposits	-	-	-	-	36,900	-	-	-	229,700	-	266,600
Banks	13,750	31	15,499	11,099	59,605	125,665	166,101	560,996	179,211	10,817	1,142,774
Market Borrowings	12,495	-	72,691	19,393	4,992	96,483	73,062	376,983	829,029	1,690,138	3,175,266
Foreign Currency Liabilities	-	-	-	-	-	-	-	56,940	-	-	56,940
Assets											-
Advances*	65,809	-	539	42,141	-30,411	96,932	406,217	1,311,737	665,262	1,658,941	4,217,167
Investments	8,601	66,834	72,876	1,331	236	79,684	42,860	420,828	291,665	406,279	1,391,394
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Advances exclude Rs. 5,38,849 Lakhs due to fair value adjustment on retail loans and include sanctioned but undisbursed amount of Rs. 3,16,583 Lakhs.

March 31, 2021

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	36,900	229,700	-	266,600
Banks	1,500	40	18,427	15,912	96,164	164,080	221,517	603,629	276,775	99,397	1,497,441
Market Borrowings	-	-	50,379	229	-2,196	17,359	119,312	246,742	436,636	299,364	1,167,917
Foreign Currency Liabilities	-	-	-	-	-	-	-	26,584	28,171	-	54,755
Assets											-
Advances	11,440	-	761	5,394	21,953	120,795	245,796	1,514,063	700,041	643,311	3,263,554
Investments	63,336	63,336	63,336	-	-	-	-	61,360	263,661		515,029
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

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Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2022

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India (Continued)

57.3 Disclosures *(continued)*

57.3.7 Exposure

57.3.7.1 Exposure 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;	1,755,588	1,782,585
	(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;	1,365,617	1,342,029
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential	-	-
		b) Commercial Real Estate	-	-
b)	Indirect Exposure			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

57.3.7.2 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;	2	-
(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;	-	3,000
(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;	266,801	214,730
(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;	23,633	56,000
(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;	21,883	21,000
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	200,412	-
Total exposure to capital market	512,731	294,730

57.3.7.3 Details of financing of parent company products
The Company has not financed parent company products during the year ended March 31, 2022 (As at March 31, 2021 - Nil).

57.3.7.4 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL)exceeded by the HFC
During the year, there were no instances of breach of exposure limit of Single Borrower ('SBL')/ Group Borrower Limit (GBL) as described under para 20 of the Directions.

57.3.7.5 Unsecured advances
The Company has not issued any advances against the right, licence and authority as collateral.

57.3.7.6 Exposure to group companies engaged in real estate business
The Company does not have any exposure to group companies engaged in real estate business as on March 31, 2022 (As at March 31, 2021 - Nil).

57.4 Miscellaneous

57.4.1 Registration obtained from other financial sector regulators
The Company has obtained registration form "IRDAI" during the year ended March 31, 2022

57.4.2 Disclosure of Penalties imposed by NHB and other regulators
No penalty has been imposed by NHB and other regulators during the year ended March 31, 2022

Piramal Capital & Housing Finance Ltd.

K K Mankeshwar & Co. Chartered Accountants

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(Currency : Rs in lakhs)

57.4.3 Related Party Transactions

Details of all material transactions with related parties are disclosed in note 40. Also Company has placed policy on dealing with related party transaction at its website under Stakeholder-Policies section

57.4.4 Group Structure

Please refer annexure I, Annexure II & Annexure III for diagrammatic representation of group structure of Piramal Enterprises Limited (ultimate parent company)

57.4.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

Credit rating issued to Piramal Capital & Housing Finance Limited

Instrument	Rating agency	Ratings assigned during FY 2021-22	Ratings assigned during FY 2020-21
NCD	ICRA Limited CARE Ratings Limited	[ICRA]AA(CWD) CARE AA(CWD)	ICRA] AA (negative) CARE AA (Stable)
Commercial papers	CRISIL Limited CARE Ratings Limited	CRISIL A1+ CARE A1+	CRISIL A1+ CARE A1+
Long Term Fund Based Bank Lines	ICRA Limited	[ICRA]AA(CWD)	[ICRA] AA (negative)
Long term bank facilities	CARE Ratings Limited	CARE AA(CWD)	CARE AA (Stable)
Tier II bonds	ICRA Limited CARE Ratings Limited	[ICRA]AA(CWD) CARE AA(CWD)	[ICRA] AA (negative) CARE AA (Stable)
Inter Corporate Deposits	CARE Ratings Limited	CARE A1+	CARE A1+
Market Linked Debenture	ICRA Limited CARE Ratings Limited	[ICRA]AA(CWD) CARE AA(CWD)	[ICRA]AA(Negative) CARE AA(CWD)
Public NCD	ICRA Limited CARE Ratings Limited	[ICRA]AA(CWD) CARE AA(CWD)	[ICRA]AA(Negative) CARE AA(CWD)

57.4.6 Remuneration of Directors

Details of Remuneration of Directors are disclosed as part of the Related party transactions in note 40

57.4.7 Management

Refer Directors' report for the relevant disclosures.

57.4.8 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.

57.4.9 Revenue recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

57.4.10 Consolidated Financial Statements (CFS)

The Company has applied Indian accounting standard for consolidation of financial statement of its subsidiaries.

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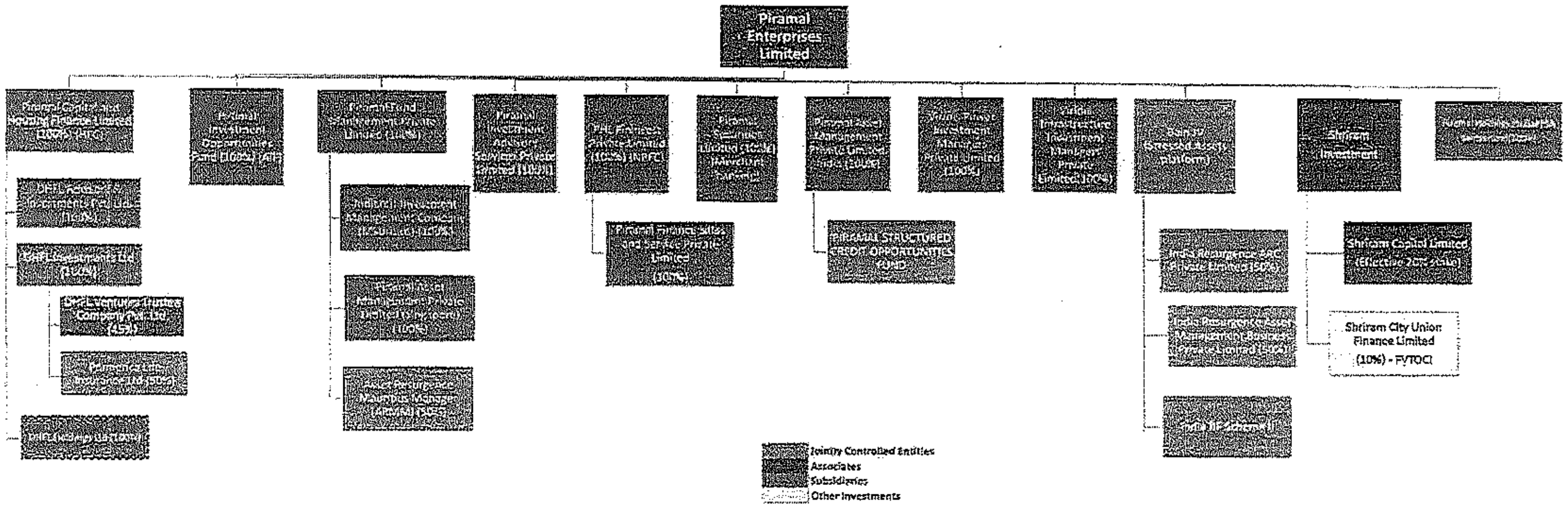
Piramal Capital & Housing Finance Ltd.

Annexure I to Note 57.4.4



K.K. Mankeshwar & Co. Chartered Accountants

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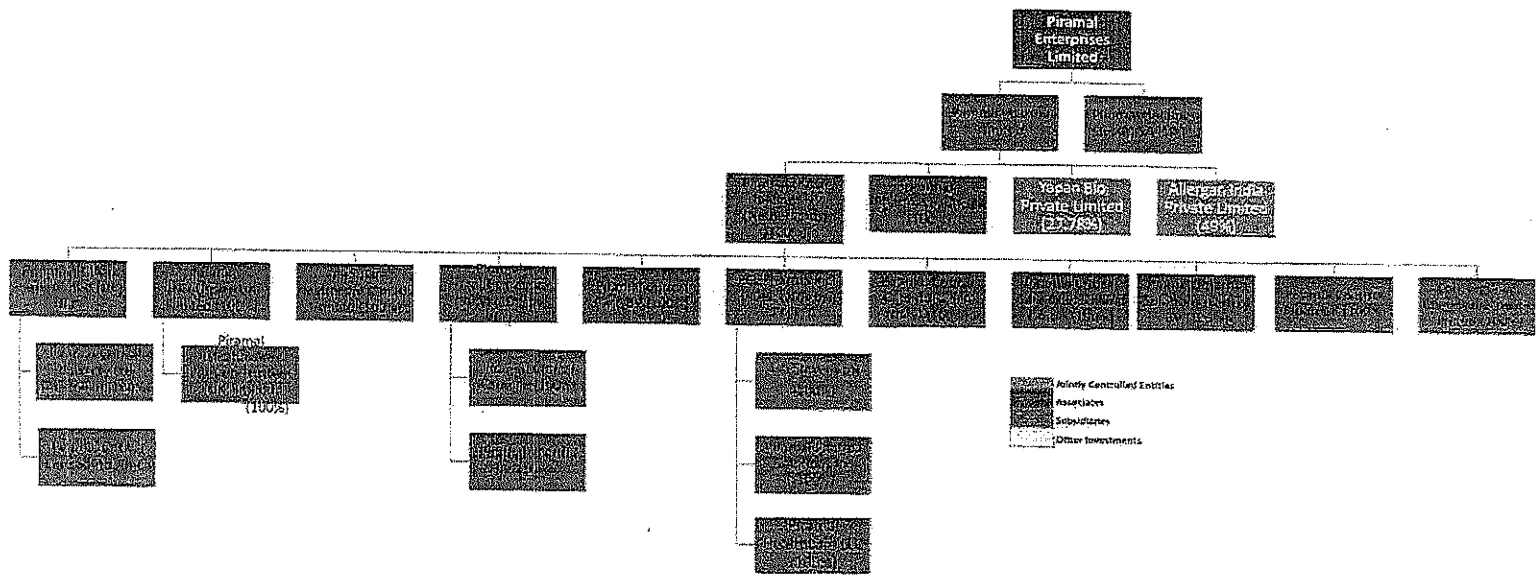
Piramal Capital & Housing Finance Ltd. ★

Annexure II to Note 57.4.4



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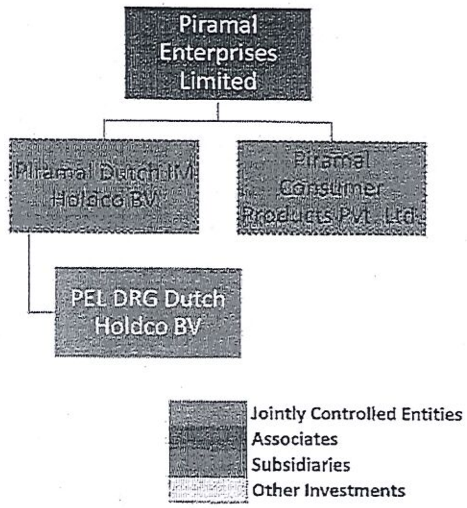
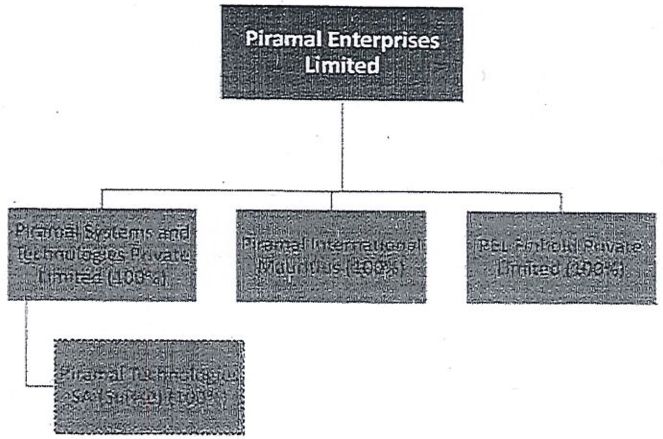
Piramal Capital & Housing Finance Ltd.

Annexure III to Note 57.4.4





Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2022

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India (Continued)

57.5 Additional Disclosures

57.5.1 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year March 31, 2022	For the year March 31, 2021
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	18,823	50,579
3. Provision towards NPA	10,786	27,596
4a. Provision/(Reversal) for Standard Assets on CRE-RH	1,968	(17,627)
4b. Provision/(Reversal) for Standard Assets on other CRE	(30,772)	(13,192)
4c. Provision/(Reversal) for Standard Assets on others (Housing Loan, LAP, LRD etc.)	106,858	(4,801)
4d. Release of Provision created on POCI Loans due to recovery	(26,097)	-
5. Other Provision and Contingencies / (Reversal)	(821)	444

Break up of Loan & Advances and Provisions thereon	As at March 31, 2022		As at March 31, 2021	
	Housing#	Non-Housing	Housing#	Non-Housing
Standard Assets				
a) Total Outstanding Amount	2,335,198	2,228,245	1,463,878	1,687,891
b) Provisions made	43,288	158,575	40,051	90,954
Sub-Standard Assets	-	-		
a) Total Outstanding Amount	163,578	119,850	34,518	19,413
b) Provisions made	15,487	1,911	11,656	8,095
Doubtful Assets – Category-I	-	-		
a) Total Outstanding Amount	13,783	8,658	34,347	9,751
b) Provisions made	6,704	4,504	17,268	6,084
Doubtful Assets – Category-II	-	-		
a) Total Outstanding Amount	35,268	15,830	24	9,784
b) Provisions made	17,767	9,678	9	6,779
Doubtful Assets – Category-III	-	-		
a) Total Outstanding Amount	32	3,949	-	3,949
b) Provisions made	10	3,949	-	3,949
Loss Assets		-		
a) Total Outstanding Amount	486	1,192	-	-
b) Provisions made	486	1,185	-	-
Total				
a) Total Outstanding Amount	2,548,345	2,377,724	1,532,767	1,730,788
b) Provisions made	83,742	179,802	68,984	115,861

Includes composite funding for land acquistion and construction

57.5.2 Draw Down from Reserves

The Company has not draw down from reserve during the year ended March 31, 2022 (As at March 31, 2021 - Nil).

K K Mankeshwar & Co. Chartered Accountants

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Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

57.5 Additional Disclosures *(continued)*

57.5.3 Concentration of Advances, Exposures and NPAs

57.5.3.1 Concentration of loans and advances

Particulars	March 31, 2022	March 31, 2021
Total Loans & Advances to twenty largest borrowers	1,282,557	1,227,609
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	20.01%	40.17%

57.5.3.2 Concentration of all exposure (including off-balance sheet exposure)

Particulars	March 31, 2022	March 31, 2021
Total Exposure to twenty largest borrowers	1,414,517	1,672,759
Percentage of Exposures to twenty largest borrowers to Total Exposures of the HFC	21.03%	48.71%

57.5.3.3 Concentration of NPAs

Particulars	March 31, 2022	March 31, 2021
Total Exposure to top ten NPA accounts	90,270	84,135

57.5.3.4 Sector-wise NPAs

Sector	March 31, 2022 Percentage of NPA to Total Advances in that Sector	March 31, 2021 Percentage of NPA to Total Advances in that Sector
A. Housing Loans:		
1. Individuals	1.07%	1.42%
2. Builder / project loans	4.94%	5.23%
3. Corporates	0.15%	8.76%
B. Non-Housing Loans:		
1. Individuals	0.40%	0.32%
2. Builder / project loans	2.49%	0.78%
3. Corporates	4.02%	11.01%

57.5.3.5 Movement of NPAs

Particulars	March 31, 2022	March 31, 2021
(I) Net NPAs to Net Advances (%)	1.01%	1.93%
(II) Movement of NPAs (Gross)		
a) Opening balance	111,787	73,701
b) Additions during the year	21,303	47,469
d) Reductions during the year	12,469	9,383
e) Closing balance	120,621	111,787
(III) Movement of Net NPAs		
a) Opening balance	57,990	47,455
b) Additions during the year	3,902	18,327
d) Reductions during the year	5,881	7,793
e) Closing balance	56,011	57,990
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	53,842	26,246
b) Provisions made during the year	17,418	29,186
d) Write-off/write-back of excess provisions	6,632	1,590
e) Closing balance	64,628	53,842

K. K. Mankeshwar & Co. Chartered Accountants

Piramal Capital & Housing Finance Ltd

Walker Chandiok & Co LLP Chartered Accountants Mumbai

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2022

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India *(Continued)*

57.5 Additional Disclosures *(continued)*

57.5.5 Overseas assets
The Company does not have any overseas assets

57.5.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)
The Company does not have any sponsored SPVs which needs to be consolidated as per Accounting norms

57.6 Disclosure of complaints

Particulars	March 31, 2022	March 31, 2021
a) No. of complaints pending at the beginning of the year	10	34
b) No. of complaints received during the year	2,602	905
c) No. of complaints redressed during the year	2,552	929
d) No. of complaints pending at the end of the year	60	10

58 Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228
Mumbai, May 26, 2022

For K.K. MANKESHWAR & CO.
Chartered Accountants
Firm Registration No: 106009W

Dinesh Kumar Bachchas
Partner
Membership No: 097820

For and on behalf of the Board of Directors of Piramal Capital & Housing Finance Limited

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

LODHA & CO

CHARTERED ACCOUNTANTS

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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 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.

LODHA & CO. ★ MUMBAI-01 ★ 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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:

LODHA & CO. MUMBAI-01 Chartered Accountants

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 pertaning 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

External Public

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

Place : Mumbai
Date : May 25, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

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

(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.

(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.

(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.

(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.

(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.

(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.

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.

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.

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

		As at March 31, 2022	As at March 31, 2021
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**

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**

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**	**-**	**-**	**-**

12 (i) Debt securities

Debt securities in India

	As at March 31, 2022	As at March 31, 2021
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

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**

	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.

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**	**-**

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

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%
<u>Tax effect of disallowance:</u>				
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%		

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.

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

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**

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**	**-**

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**

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**

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)

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	**-**	-

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

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

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.

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

Notes to the standalone financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in lakhs)

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%	-	-

(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

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(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**

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

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)

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

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.

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)*

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)

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.

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)*

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.

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,

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

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

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(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, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,11,518	1,259	1,10,259	-	1,259
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
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**

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

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.

Notes to the standalone financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in lakhs)

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**
			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)**								
	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

PHL Fininvest Private Limited

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	-	-

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

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.

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.

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	-	-

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

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

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.

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

(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	**Narayanan Vaghul**
Managing Director	*Director*
DIN: 00209953	DIN: 00002014
Mumbai	Chennai
Devesh Choudhari	**Namrata Sajnani**
Chief Financial Officer	*Company Secretary*
Mumbai	Mumbai

Date : May 25, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

LODHA
& CO
CHARTERED ACCOUNTANTS

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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 REPORT

To The Members of
Piramal Fund Management Private Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Piramal Fund Management 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 Statement of Changes in Equity and the Statement of Cash Flow 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), changes in equity and its cash flows 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.

Information Other than the 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's Report including Annexures to the Board report, but does not include the financial statement 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.

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

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.

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 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 financial statements or, if such disclosures are inadequate, to modify our opinion.

LODHA & CO. MUMBAI-01 Chartered Accountants

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 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 ant 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.

Other Matter

i. The opening balances as of 1st April 2021 has been taken based on the Standalone financial statements for the year ended 31st March 2021 audited by the predecessor independent auditor who vide their report dated 8th May 2021 have expressed an unmodified opinion.

ii. We draw your attention to the Note 33 to the financial results regarding the assessment made by management relating to impact of COVID-19 pandemic on the operations of the Company

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), Statement of Changes in Equity and the Cash Flow Statement 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".

LODHA & CO. MUMBAI-01 Chartered Accountants

(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, The Company being a private limited Company, Section 197 of the Act is not applicable.

(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:

i. The Company has disclosed the impact of pending litigations on its financial performance in its financial statements. [Refer note no 37 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 to 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 to 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.

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

LODHA & CO. MUMBAI-01 Chartered Accountants

R.P Baradiya
Partner
Membership No. 44101
UDIN: 22044101AKVAYZ6098

Place: Mumbai
Date: May 24, 2022

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Piramal Fund Management 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-to-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a programme of physical verification of its PPE by which all PPE are verified on yearly basis. In our opinion, the periodicity of physical verification is reasonable having regard to the size and the nature of business. During the year, the Company has carried out the physical verification of certain PPE and 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, the company does not hold any immovable property and hence reporting under clause 3(i)(c) of the order is not applicable to the Company.

d. The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, neither any proceedings have been initiated during the year nor 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.

ii. a. The Company is in the business of rendering investment advisory services and does not have any physical 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 and on the basis of our examination of records, the Company does not have any sanctioned working capital at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is 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 has not provided any loans or advances in the nature of loans or guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of records, the investment made are in the ordinary course of business and accordingly in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable with respect to the investments made during the year. The Company has not provided any loans, guarantee and security during the year.

LODHA & CO. MUMBAI-01 Chartered Accountants

v. According to the information and explanations given to us and on the basis of our examination of records, 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. According to the information and explanations given to us and on the basis of our examination of records, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act or any other relevant provisions of the Act and rules framed there under and hence reporting under 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 generally 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 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 except Income Tax of Rs. 20.41 lakhs.

(b) According to the information and explanations given to us and on the basis of our examination of records, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute except as mentioned 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	209*	Assessment Year – 2015-16	Commissioner of Income Tax (Appeals)

* net-off by Rs. 52 lakhs paid towards filing of appeal.

viii. According to the information and explanations given to us and based on the 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) of the Order is not applicable to the Company.

(b) 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, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the 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, associates or joint venture and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

LODHA & CO. MUMBAI-01 Chartered Accountants

(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 subsidiaries, joint venture and associates 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, 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.

(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 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 is 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.

(c) Based on our audit procedure performed and according to the information and explanations given to us, the Section 177(9) of the Act is not applicable and hence reporting under 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 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard. The Section 177 of the Act is not applicable to the Company.

xiv. As the Company's turnover is less than 200 crores and it does not have any borrowings from banks/ financial institutions, accordingly provisions of Section 138 of the Act regarding appointment of Internal auditor is not applicable and hence reporting under clause 3(xiv)(a) and 3(xiv(b) of the order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of 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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) 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 it has incurred cash losses in immediately preceding financial year.

LODHA & CO. MUMBAI-01 Chartered Accountants

xviii. There has been 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 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. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year 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: 22044101AKVAYZ6098

Place: Mumbai
Date: May 24, 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 Piramal Fund Management 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 Piramal Fund Management 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.

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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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: 22044101AKVAYZ6098

Place: Mumbai
Date: May 24, 2022

LODHA & CO. ★ MUMBAI-01 ★ Chartered Accountants

Piramal Fund Management Private Limited

Standalone Balance Sheet

(Currency: Indian rupees in lakhs)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Financial assets:			
(a) Cash and cash equivalents	3	**491**	1,186
(b) Receivables			
(i) Trade receivables	4	**1,648**	2,146
(c) Investments	7	**12,235**	17,252
(d) Other financial assets	5	**87**	87
2 Non-Financial assets:			
(a) Current tax assets (net)	6	**824**	625
(b) Property, plant and equipment	8	**47**	71
(c) Right of use assets	8	**85**	231
(d) Other intangible assets	9	**4**	6
(e) Other non-financial assets	10	**321**	229
Total assets		**15,742**	21,833
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
Trade payables	11		
(i) Total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**354**	405
(b) Borrowings	12	**14,477**	20,435
(c) Other financial liabilities	13	**848**	1,922
2 Non-Financial liabilities			
(a) Current tax liabilities (net)	14	**20**	20
(b) Provisions	15	**135**	181
(c) Deferred tax liabilities (net)	16	**-**	-
(d) Other non-financial liabilities	17	**306**	50
3 Equity			
(a) Equity share capital	18	**19**	19
(b) Other equity	19	**(417)**	(1,199)
Total liabilities and equity		**15,742**	21,833
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached.

For Lodha and Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Mumbai
Date: 24-May-2022

For and on behalf of the Board of Directors of
Piramal Fund Management Private Limited

Khushru Jijina
Director
DIN: 00209953

Niraj Bhukhanwala
Director
DIN: 00113468

Mumbai
Date: 24-May-2022

Internal Use–Confidential

Piramal Fund Management Private Limited

Statement of Standalone Profit and Loss

for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	20		
Fee and Commission Income		2,083	1,776
Total revenue from operations		**2,083**	1,776
Other income	20 A	1,832	1,182
Total revenue		**3,915**	2,958
Expenses			
Finance costs	21	838	1,711
Net loss on fair value changes	22	387	2,235
Impairment of financial instruments	23	-	(332)
Employee benefits expenses	24	1,047	2,060
Depreciation and amortization	25	173	191
Other expenses	26	768	565
Total expenses		**3,213**	6,430
Profit/ (Loss) before tax		**702**	(3,472)
Less: Tax expenses			
Current tax	27(a)	-	-
Deferred Tax	27(a)	-	-
		-	-
Profit/ (Loss) after tax		**702**	(3,472)
Other Comprehensive Income/(Expenses):			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		80	62
- Income tax relating to above items		-	-
Total Comprehensive income for the year		782	(3,410)
Earnings per share [nominal value of share Rs. 10]	29		
Basic		**369.66**	(1,827.37)
Diluted		**0.61**	(3.01)
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For Lodha and Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
Date: 24-May-2022

For and on behalf of the Board of Directors of Piramal Fund Management Private Limited

Khushru Jijina
Director
DIN: 00209953

Niraj Bhukhanwala
Director
DIN: 00113468

Mumbai
Date: 24-May-2022

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Fund Management Private Limited

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

(a) Equity share capital

	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid	
Balance as at 01 April 2020	19
Changes in equity share capital due to prior period errors	-
Restated balance as at 01 April 2020	19
Changes in equity share capital during the year	-
Balance as at 31 March 2021	19
Changes in equity share capital due to prior period errors	-
Restated balance as at 01 April 2021	19
Changes in equity share capital during the year	-
Balance as at 31 March 2022	19

(b) Other equity

Particulars	Reserves and surplus				Total
	Equity component of compound financial instruments (Note 20)	General reserve	Capital redemption reserve	Retained earnings	
Balance as at 01 April 2020	495	109	2	1,605	2,211
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 01 April 2020	-	-	-	-	-
Loss for the year	-	-	-	(3,472)	(3,472)
Other comprehensive income for the year, net of income tax	-	-	-	62	62
Total comprehensive income for the year	-	-	-	(3,410)	(3,410)
Balance as at 31 March 2021	495	109	2	(1,805)	(1,199)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 01 April 2021	-	-	-	-	-
Profit for the year	-	-	-	702	702
Other comprehensive income for the year, net of income tax	-	-	-	80	80
Total comprehensive income for the year	-	-	-	782	782
Balance as at 31 March 2022	495	109	2	(1,023)	(417)

As per our report of even date attached

For Lodha and Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
Date: 24-May-2022

For and on behalf of the Board of Directors of
Piramal Fund Management Private Limited

Khushru Jijina
Director
DIN: 00209953

Niraj Bhukhanwala
Director
DIN: 00113468

Mumbai
Date: 24-May-2022

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Fund Management Private Limited

Standalone Cash Flow Statement

for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

	Notes	**For the year ended 31 March 2022**	For the year ended 31 March 2021
Cash flows from operating activities			
Profit/ (Loss) before tax		**702**	(3,472)
Adjustments for :			
Finance costs	*21*	**838**	1,711
Fair Value on mutual fund units	*21A*	**-**	0
Gain on sale of mutual fund units	*20 A*	**(1)**	(1)
Distribution expenses (Amortized)	*26*	**3**	79
Provision for standard assets (ECL)	*23*	**-**	(332)
Fair valuation of financial assets	*22*	**387**	2,235
Provision for bad debts	*26*	**47**	7
Interest on employee advance	*20 A*	**-**	(3)
Depreciation and amortisation	*25*	**173**	191
Income on investments	*20 A*	**1,452**	(1,033)
Operating cashflow before working capital changes		**3,601**	**(618)**
Decrease/(increase) in loan		**-**	58
Decrease/(increase) in trade receivables		**498**	1,613
Decrease/(increase) in other financial assets		**-**	19
Decrease/(increase) in other non financial assets		**(95)**	(23)
(Decrease)/ increase in trade payables		**(51)**	33
(Decrease)/ increase in provision		**(12)**	3
(Decrease)/ increase in other financial liabilities		**(878)**	136
(Decrease)/ increase in other liabilities		**256**	(330)
Cash generated from/(used in) operations		**3,319**	**891**
Income taxes paid		**(199)**	1,542
Net cash flows from/(used in) operating activities (A)		**3,120**	**2,434**
Cash flows from investing activities			
Redemption of investments		**4,631**	18,648
Purchase of mutual fund		**(670)**	(799)
Proceeds from sale of mutual fund		**670**	859
Gain on sale of mutual fund units	*20 A*	**1**	1
Income on investments	*20 A*	**(1,452)**	1,052
Amounts advanced to related parties		**-**	3
Net cash flows from/(used in) investing activities (B)		**3,180**	**19,764**
Cash flows from financing activities			
Proceeds from borrowings(ICD)	*34*	**1,785**	56,895
Repayment of borrowings(ICD)	*34*	**(7,750)**	(73,346)
Interest paid		**(838)**	(4,637)
Payment of lease liabilities		**(192)**	(178)
Net cash flows from/(used in) financing activities (C)		**(6,995)**	**(21,266)**
Net increase/(decrease) in cash and cash equivalents D=(A+B+C)		**(695)**	**931**
Cash and cash equivalents at the beginning of the year (E)	*3*	**1,186**	255
Cash and cash equivalents at the end of the year (D+E)	*3*	**491**	**1,186**
As per financials note no. 3		**491**	**1,186**
Significant accounting policies	*2*		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For Lodha and Co.
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Mumbai
Date: 24-May-2022

For and on behalf of the Board of Directors of
Piramal Fund Management Private Limited

Khushru Jijina
Director
DIN: 00209953

Niraj Bhukhanwala
Director
DIN: 00113468

Mumbai
Date: 24-May-2022

Internal Use - Confidential

Piramal Fund Management Private Limited

Notes to Standalone Financial Statements
for the year ended 31 March 2022

1. BACKGROUND

Piramal Fund Management Private Limited ('The Company') was incorporated on 14 July 2005 with an objective to provide investment advisory services in the real estate sector. The Company has established a contributory trust, viz. 'Indiareit Fund' (the 'Fund'), under the provisions of the Indian Trust Act, 1882. The Fund has received approval from the Securities and Exchange Board of India on 17 October 2005 to carry on the activity of a venture capital fund under its different schemes by pooling together resources and finances from institutional and high net worth investors. On 15 September 2011, the Company received approval from the Securities and Exchange Board of India to carry out the activity of Portfolio Manager.

The Company has been appointed as investment advisor to the Fund under an investment advisory agreement dated 18 August 2005 as amended and restated vide agreement dated 31 January 2006. The Company has also been appointed as an investment advisor to INDIAREIT Investment Management Co. (Mauritius), Piramal Asset Management Private Limited (Singapore) and IIFL Income Opportunities Fund – Series Special Situations. On 15 September 2011, Company has received approval from the Securities and Exchange Board of India to carry the activity of Portfolio Manager.
In addition to the above, the Company is also providing consultancy services for development of real estate projects and advisory services for facilitation of investements in to the real estate sector.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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 Company's standalone financial statements upto and for the year ended 31 March 2018 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("theAct") read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), collectively referred as "Previous GAAP". Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The 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 standalone financial instruments that are measured at fair values at the end of each reporting period.

The preparation of the standalone financial statements in conformity with Ind AS requires the Management to make certain 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 standalone 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 32
2. Fair Valuation of financial assets and liabilities - Note 32 and
3. Measurement of defined benefit obligations; key actuarial assumptions – Note 31

iv) 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 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 standalone statement of profit and loss.

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 standalone statement of profit and loss.

LODHA & CO. MUMBAI-01 Chartered Accountants

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

vi) Depreciation and amortisation

a. Property, plant and equipment

Depreciation is provided on a pro-rata basis using straight line method ('SLM') over the useful lives of the assets specified in Schedule II of the Companies Act, 2013. Estimated useful lives as determined by the management of respective subsidiaires based on technical evaluation are as under :

Office equipments	5 years
Furniture and fixtures	10 years
Computer servers and network devices	6 years
Computer - end user devices	3 years
Motor car	8 years
Leasehold improvements	Amortised over lease tenure

Individual fixed assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

b. Intangible assets

Intangible Assets are amortized on a straight line basis over their finite useful lives 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.

vii) Impairment of non financial assets

The Company assesses at each standalone balance sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the standalone statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

viii) Financial instruments

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).

LODHA & CO. MUMBAI-01 Chartered Accountants

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

viii) Financial instruments *(Continued)*

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.

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.

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 the Statement of profit or loss. The net gain or loss recognised in the Statement of 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 standalone statement of profit and loss.

All assets for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 109, 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.

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 Compay 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

viii) Financial instruments *(Continued)*

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.
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.

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 standalone statement of profit and loss.

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 and are recognised in profit and loss.

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 equity instrument.

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

All liabilities for which fair value is measured or disclosed in standalonethe financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

Notes to Standalone Financial Statements
for the year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

ix) 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 (in case of constribution 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 standalone statement of changes in equity and in the standalone 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 standalone statement of profit and loss in the year in which they arise.

x) 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 occurence 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.

xi) Revenue recognition

Advisory fees: Revenue from advisory fees is recognised in profit or loss over time as the services are rendered

Dividend: Dividend income from investment is recognised when the Company's right to receive payment has been established (provided that it is probable that economic benefit will flow to the Company in the amount of dividend income can be measured realiably).

Interest: Interest income from a financial asset is recognised when it is probable that economic benefit will flow to the Company and the amount of income can be measured realiably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest applicable.

Investment Income: Income from investment in private equity funds is recognised when the Company's right to receive payment has been established (provided that it is probable that economic benefit will flow to the Company in the amount of investment income can be measured realiably).

xii) Leases

The Company's lease asset classes primarily consist of leases for office buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Company has the right to direct the use of the asset.

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. 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 these leases.

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements
for the year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

xiii) 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.

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.

xiv) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xv) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xvi) Foreign Currency Transactions

(a) Functional and Presentation currency
The Financial statements are presented in Indian Rupees (INR), which is Company's functional and presentation currency

(b) Initial Recognition: Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.
Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.
(c) Measurement of Foreign Currency Items at the Balance Sheet Date
Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

xvii) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / 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.

xviii) Standards issued but not yet effective

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.

xix) Earnings per share (EPS)

Basic earnings per share:
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the 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.

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements *(Continued)*
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

3	**Cash and cash equivalents**	**As at 31 March 2022**	As at 31 March 2021
	Cash on hand	**3**	1
	Balance with banks		
	- Current accounts	**488**	1,185
	Total	**491**	1,186

4	**Trade receivables**	**As at 31 March 2022**	As at 31 March 2021
	Trade receivables		
	Receivables considered good - Unsecured	**153**	589
	Receivables which have significant increase in Credit Risk	**1,574**	1,589
	Impairment loss	**(79)**	(32)
	(Refer note 48.1 for ageing)		
	Total	**1,648**	2,146

5	**Other financial assets**	**As at 31 March 2022**	As at 31 March 2021
	Security deposits	**87**	87
		87	87

6	**Current tax assets (net)**	**As at 31 March 2022**	As at 31 March 2021
	Advance tax (net of provision as at 31 March 2022 Rs. 2,757 lakhs, as at 31 March 2021 Rs. 2,757 lakhs)	**824**	625
	Total	**824**	625

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements *(Continued)*
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

7 Investments	As at 31st March 2022		As at 31 March 2021	
	Qty.	*Amount*	*Qty.*	*Amount*
Investments within India				
Instruments at fair value through profit and loss				
Unquoted Investments				
Indiareit Fund Scheme IV				
Class C units of Rs. 100,000 each, fully paid up	**418.15**	**276**	531.86	123
Class D units of Rs. 10,000 each, fully paid up	**0.77**	**1**	0.89	1
Indiareit Fund Scheme V				
Class C units of Rs. 100,000 each, fully paid up	**3,012.61**	**1,326**	3,116.68	1,447
Class D units of Rs. 10,000 each, fully paid up	**17.94**	**2**	18.42	2
Indiareit Mumbai Redevelopment Fund				
Class A3 units of Rs. 100,000 each, fully paid up	**940.98**	**88**	2,024.64	314
Class B units of Rs. 10,000 each, fully paid up	**11.91**	**1**	12.40	1
IIFL Income Opportunities Fund Series - Special Situations				
Class A units of Rs. 10 each, fully paid up	-	-	5,00,00,000	1,038
Class C units of Rs. 10 each, fully paid up	-	-	4,500.00	0
Indiareit Apartment Fund				
Class A units of Rs. 100,000 each, fully paid up	**758.57**	**858**	827.57	1,133
Class C units of Rs. 100 each, fully paid up	**40.00**	-	60.00	0
Piramal Ivanhoe Residential Equity Fund 1	-	-	-	515
	-	-	-	-
LICHFL Urban Development Fund				
Class A units of Rs. 10,000 each, fully paid up	**10,000.00**	**121**	10,000.00	376
Investments outside India				
Measured at Amortised Cost				
Unquoted Investments				
(a) **Investments in Subsidiaries (Wholly Owned)**				
Equity Shares				
Equity share of Indiareit Investment Management Co, a subsidiary, of USD 1 each, fully paid up*	**32,618.50**	**8,783**	42,823.50	11,523
Equity share of Piramal Asset Management Private Limited, a subsidiary, of SGD 1 each, fully paid up	**5,00,000.00**	**237**	5,00,000.00	237
Preference Shares				
Preference shares of Piramal Asset Management Private Limited, a subsidiary, of SGD 1 each, fully paid up	**9,74,333.00**	**473**	9,74,333.00	473
(b) **Investments in Joint venture**				
Equity shares of Asset Resurgence Mauritius Manager, a JV, of USD 1 each, fully paid up [50% share]	**95,445.00**	69	95,445.00	69
Total Investments		**12,235**		17,252

*During the year, the Company received an offer from its subsidiary Indiareit Investment Management Co. for buying-back 10,205 shares at price of US$ 588 per shares. The Company accepted the offer and proceeds were credited before the end of financial year.

Aggregate book value of unquoted investments	**14,993**	21,817
Aggregate market value of unquoted investments	**12,235**	17,252
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements *(Continued)*
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

8 Property, plant and equipment and Right to use assets

Particulars	Cost				Accumulated Depreciation				Carrying amount
	As at 01 April 2021	Additions	Disposal	As at 31 March 2022 (A)	As at 01 April 2021	For the year	Disposal	As at 31 March 2022 (B)	As at 31 March 2022 (A-B)
Office equipment	47	-	-	**47**	45	2	-	**47**	-
Computers	64	-	-	**64**	59	4	-	**63**	**1**
Furniture and fixtures	42	-	-	**42**	20	5	-	**25**	**17**
Leasehold improvements	109	-	-	**109**	108	0	-	**108**	-
Motor car	79	-	-	**79**	37	13	-	**50**	**29**
	341	-	-	**341**	**269**	**25**	-	**294**	**47**
Right of use assets	523	-	-	**523**	292	146	-	**438**	**85**
	523	-	-	**523**	**292**	**146**	-	**438**	**85**
Total	**864**	-	-	**864**	**561**	**171**	-	**732**	**132**

Particulars	Cost				Accumulated Depreciation				Carrying amount
	As at 01 April 2020	Additions	Disposal	As at 31 March 2021 (A)	As at 01 April 2020	For the year	Disposal	As at 31 March 2021 (B)	As at 31 March 2021 (A-B)
Office equipment	47	-	-	**47**	37	8	-	**45**	**2**
Computers	64	-	-	**64**	47	12	-	**59**	**5**
Furniture and fixtures	42	-	-	**42**	17	3	-	**20**	**22**
Leasehold improvements	109	-	-	**109**	107	1	-	**108**	-
Motor car	79	-	-	**79**	23	13	-	**37**	**42**
	341	-	-	**341**	**231**	**38**	-	**269**	**71**
Right of use assets	523	-	-	**523**	146	146	-	**292**	**231**
	523	-	-	**523**	**146**	**146**	-	**292**	**231**
Total	**864**	-	-	**864**	**377**	**184**	-	**561**	**302**

(Currency: Indian rupees in lakhs)

9 Intangible assets

Particulars	Cost or deemed cost					Accumulated Depreciation and Impairment				Carrying amount
	As at 01 April 2021	Additions	Disposal	Exchange difference	As at 31 March 2022 (A)	As at 01 April 2021	For the year	Disposal	As at 31 March 2022 (B)	As at 31 March 2022 (A-B)
Computer software	34	-	-	-	34	28	2	-	30	4
Total	**34**	**-**	**-**	**-**	**34**	**28**	**2**	**-**	**30**	**4**

Particulars	Cost or deemed cost					Accumulated Depreciation and Impairment				Carrying amount
	As at 01 April 2020	Additions	Disposal	Exchange difference	As at 31 March 2021 (A)	As at 01 April 2020	For the year	Disposal	As at 31 March 2021 (B)	As at 31 March 2021 (A-B)
Computer software	34	-	-	-	34	22	7	-	28	6
Total	**34**	**-**	**-**	**-**	**34**	**22**	**7**	**-**	**28**	**6**

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(Currency: Indian rupees in lakhs)

10 Other non-financial assets

	As at 31 March 2022	As at 31 March 2021
Unamortised distribution expenses	1	4
Gratuity fund	114	54
Prepaid expenses	7	9
Other advances	199	140
GST receivable (net)	-	22
Total	**321**	229

11 Trade payables

		As at 31 March 2022	As at 31 March 2021
(i)	Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	354	405
(iii)	Trade payables to related parties *(Refer note 48.2 for ageing)*	-	-
	Total	**354**	405

12 Borrowings

	As at 31 March 2022	As at 31 March 2021
Liability component of compound financial instruments:		
Convertible Preference Shares (Refer Note 30)	11,500	11,500
From related parties (unsecured)		
Loan from Piramal Enterprises Limited	2,977	8,935
Total	**14,477**	**20,435**

Terms of repayment and rate of interest for unsecured borrowings

	Terms of Repayment	Rate of Interest
1. Loan from Piramal Enterprises Limited	Loan is required to be paid within 15 days from end of the Loan term i.e. on or before 31-March-2023	The Lender shall be entitled to charge an arm's length interest at rates as may be agreed between the parties. The effective cost for the above loans is 11.54% per annum

13 Other financials liabilities

	As at 31 March 2022	As at 31 March 2021
Lease liability	103	272
Employee related payable	745	1,650
Total	**848**	1,922

14 Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for Income tax (net of advance tax as at 31 March 2022 Rs. 1006 lakhs and as at 31 March 2021 Rs. 1006 lakhs)	20	20
Total	**20**	20

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(Currency: Indian rupees in lakhs)

15 Provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Compensated absences	135	181
Total	135	181

16 Deferred tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liability		
Unamortised distribution expenses	0	1
Rent as per INDAS 116	48	45
Lease Asset INDAS116	21	31
Deferrement of interest income due to EIR	0	0
Total deferred tax liability	70	77
Deferred tax assets		
Depreciation	70	77
Gratuity	-	-
Deferred tax related to items recognised in OCI during the year:		
Net (loss)/gain on remeasurements of defined benefit plans	-	-
Total deferred tax assets	70	77
Total Deferred tax Asset (net)	(0)	(0)

	Opening balance as at 1 April 2021	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31 March 2022
Deferred tax assets/(liabilities)in relation to:				
Depreciation on fixed assets	77	(7)	-	70
Provision for gratuity	0	-	-	0
Unamortised distribution expenses	(1)	1	-	(0)
Rent as per INDAS 116	(45)	(4)	-	(48)
Lease Asset INDAS116	(31)	10	-	(21)
Deferrement of interest income due to EIR	(0)	-	-	(0)
	0	(0)	-	(0)

	Opening balance as at 1 April 2020	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31 March 2021
Deferred tax assets/(liabilities)in relation to:				
Depreciation on fixed assets	79	(2)	-	77
Provision for gratuity	90	(90)	-	0
Unamortised distribution expenses	(24)	23	-	(1)
Lease rent as per IND AS 116	(49)	4	-	(45)
Right of use asset IND AS 116	(95)	64	-	(31)
Deferrement of interest income due to EIR	(1)	1	-	(0)
	(0)	0	-	0

17 Other non-financial liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory dues	55	50
GST payable	251	-
Total	306	50

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Notes to Standalone Financial Statements *(Continued)*
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

18 Equity Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
1,000,000 (Previous year 1,000,000) equity shares of Rs. 10 each	100	100
115,000 (Previous year 115,000) 0.01% cumulative optionally convertible participative preference shares of Rs.100 each	115	115
Total	215	215
Issued, subscribed and paid up capital		
190,000 (Previous year 190,000) equity shares of Rs.10 each fully paid up	19	19
Total	19	19

18.1 Fully paid equity shares

	Number	Amount
Balance as at 01 April 2020	1,90,000	19
Add: Issued during the year	-	-
Balance as at 31 March 2021	1,90,000	19
Add: Issued during the year	-	-
Balance as at 31 March 2022	1,90,000	19

18.2 Shares held by holding company

	As at 31 March 2022 Amount	As at 31 March 2021 Amount
Equity shares of Rs. 10 each fully paid up held by		
Piramal Enterprises Limited		
190,000 (31 March 2021- 190,000) Equity shares	19	19
	19	19

18.3 Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2022 Number	As at 31 March 2021 Number
Equity shares of Rs. 10 each fully paid up held by		
Piramal Enterprises Limited (100% holding company)	1,90,000	1,90,000

18.4 Details of shareholding of Promoters in the Company

	As at 31st March 2022			As at 31st March 2021		
	No of Shares	% of Total Shares	% Change during the year	No of Shares	% of Total Shares	% Change during the year
Equity shares of Rs. 10 each fully paid up held by						
Piramal Enterprises Limited J/w Mr. Ajay G Piramal and Mr. Rajesh Laddha	1,90,000	100%	-	1,90,000	100%	-
Total	1,90,000	100%	-	1,90,000	100%	-

18.5 Rights, preferences and restrictions attached to shares

Equity shares

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 restrictions on payment of dividend to equity shareholders. On winding up of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

0.01% Cumulative optionally convertible participative preference shares are to be redeemed on expiry of 15 years from date of allotment with an option to the Company to redeem some or all of the preference shares at any time or times before that date after giving 15 days notice to the holders of preference shares. Each preference share shall be redeemed at a premium of Rs. 9,900. Company shall convert each 0.01% Cumulative optionally convertible participative preference shares of Rs. 100 each into 1,000 (One thousand) Equity shares of Rs. 10 each at par at any time after the expiry of 8 (eight) years from the date of allotment.

(Currency: Indian rupees in lakhs)

19 Other equity

	As at 31 March 2022	As at 31 March 2021
General reserve	**109**	109
Option premium on convertible preference shares	**495**	495
Retained earnings	**(1,023)**	(1,805)
Capital redemption reserve	**2**	2
	(417)	(1,199)

19.1 General reserve

	As at 31 March 2022	As at 31 March 2021
Opening balance	**109**	109
Closing balance	**109**	109

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 the standalone statement of profit and loss

19.2 Option premium on convertible preference shares (refer note 32)

	As at 31 March 2022	As at 31 March 2021
Opening balance	**495**	495
Closing balance	**495**	495

The option premium on convertible preference shares represents the equity component (conversion rights) of 0.01 % cumulative participative preference shares amounting to Rs. 11,500 lakhs

19.3 Retained earnings

	As at 31 March 2022	As at 31 March 2021
Opening balance	**(1,805)**	1,605
Net profit for the year	**702**	(3,472)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	**80**	62
Closing balance	**(1,023)**	(1,805)

The amount that can be distributed by the company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. No dividend is declared till date to the shareholders.

19.4 Capital redemption reserve

	As at 31 March 2022	As at 31 March 2021
Opening balance	**2**	2
Closing balance	**2**	2

The capital redemption reserve has been created on buyback of equity shares.

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Notes to Standalone Financial Statements *(Continued)*
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

		For the year ended 31 March 2022	For the year ended 31 March 2021
20	**Revenue from operations**		
	Fee and commssion income	**2,083**	1,776
	Total	**2,083**	1,776

		31 March 2022	31 March 2021
20 A	**Other income**		
	Income on investments	**172**	1,033
	Profit on buy back of shared by a subsidairy	**1,624**	-
	Gain on sale of current investments - mutual fund (realised)	**1**	1
	Interest income on employee advance	-	3
	Interest on income tax refund	**1**	145
	Exchange gain	-	0
	Insurance claim	**34**	-
	Total	**1,832**	**1,182**

		31 March 2022	31 March 2021
21	**Finance costs**		
	Interest on borrowings	**816**	1,671
	Interest on lease liabilities	**22**	40
	Total	**838**	1,711

		31 March 2022	31 March 2021
22	**Net loss on fair value changes**		
	Loss on fair valuation		
	-Realised (gain)/ loss	**713**	76
	-Unrealised (gain)/ loss	**(326)**	2,159
	Total	**387**	2,235

		31 March 2022	31 March 2021
23	**Impairment of financial instruments**		
	Provision for standard assets reversed	-	(332)
	Total	-	(332)

		31 March 2022	31 March 2021
24	**Employee benefits expenses**		
	Salaries, wages and bonus	**945**	1,923
	Contribution to provident and other funds	**69**	71
	Staff welfare expenses	**7**	6
	Gratuity expense	**26**	60
	Total	**1,047**	2,060

		31 March 2022	31 March 2021
25	**Depreciation and amortisation**		
	Depreciation on tangible fixed assets	**25**	38
	Depreciation on right to use assets	**146**	146
	Amortisation on intangible fixed assets	**2**	7
	Total	**173**	191

LODHA & CO. MUMBAI-01 Chartered Accountants

Notes to Standalone Financial Statements *(Continued)*
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

		For the year ended 31 March 2022	For the year ended 31 March 2021
26	**Other expenses**		
	Distribution expenses	3	79
	Professional fees	540	296
	Travelling expenses	11	11
	Business promotion	-	0
	Donations	1	1
	Miscellaneous expenses	24	16
	Repairs and maintenance - others	45	41
	Power and fuel	10	11
	Rates and taxes	15	17
	Communication	4	2
	Printing and stationery	1	1
	Auditors' remuneration		
	Audit fees	10	25
	Tax audit fees	3	5
	Director Fees	6	9
	Royalty Charge	27	24
	Provision for bad debts	47	7
	Insurance	21	20
	Total	**768**	**565**

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Fund Management Private Limited

Notes to the Standalone Financial Statements (Continued)
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

27 Income taxes

a. Recognised in profit or loss	31 March 2022	31 March 2021
Current Tax		
In respect of the current year	-	-
Deferred Tax		
In respect of the current year	-	-
	-	-

b. The income tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021	Effective tax rate reconciliation For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax from continuing operations	701	(3,471)		
Income tax expense calculated at 25.17%	177	(874)	-25.17%	25.17%
Tax credit on accumuated tax losses	(177)	-	25.17%	0.00%
Tax credit not recognised on losses	-	874	0.00%	-25.17%
Effect of increase in income recognised as deferred tax liability	-	-	0.00%	0.00%
Effect on deferred tax balances due to the changes in income tax rate	-	-	0.00%	0.00%
Income tax expense recognised in profit or loss	-	-	0.00%	0.00%
Effective Tax Rate	0.00%	0.00%		

c. **The amount (and expisry date, if any) of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the Balance Sheet as per table below:**

Assessment Year (nature of losses)	Rs. in lakhs	Expiry date
2019-20 (ordinary business loss)	2,145	31-Mar-27
2021-22 (ordinary business loss)	1,675	31-Mar-29
2021-22 (unabsorbed depreciation)	56	Not applicable
Total	3,876	

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements (Continued)
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

28 Segment reporting

The Company operates under a single segment i.e. investment advisory service.
From a geographical perspective three principle segment are identified as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations		
India	2,032	1,726
Mauritius	50	50
Total	**2,083**	1,776

Non-current assets*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	875	702
Total	**875**	**702**

**non-current asset excludes financial instruments*

Information about major customers

Name	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	%	%
Customer 1	78%	41%
Customer 2	10%	21%
Customer 3	6%	15%
Total	94%	77%

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements (Continued)

for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

29 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:

Particulars		As at 31 March 2022	As at 31 March 2021
Profit/(loss) attributable to equity holders of the parent for basic and diluted earnings	(A)	**702**	(3,472)
Weighted average number of Equity shares for basic EPS	(B)	**1,90,000**	1,90,000
Effect of dilution:			
- Convertible preference share		**11,50,00,000**	11,50,00,000
Weighted average number of Equity shares adjusted for the effect of dilution	(C)	**11,51,90,000**	11,51,90,000
Earnings per share			
- Basic	(A/B)	**369.66**	(1,827.37)
- Diluted	(A/C)	**0.61**	(3.01)
Nominal value of shares		**10.00**	10.00

30 Convertible preference shares

On 1 March, 2012, the Company issued 115,000 0.01% Cumulative optionally convertible participative preference shares of Rs. 100 each redeemable at a premium of Rs. 9,900 each. Preference shares are to be redeemed on expiry of 15 years from date of allotment with an option to the Company to redeem some or all of the preference share at any time or times before that date after giving 15 days notice to the holders of preference shares. The preference shareholder has right to call upon company to redeem the preference shares, exercisable at any time after the expiry of 6 months from the date of allotment. Each preference share shall be redeemed at a premium of Rs. 9,900. Company shall convert each 0.01% Cumulative optionally convertible participative preference shares of Rs. 100 each into 1,000 (One thousand) Equity shares of Rs. 10 each at par at any time after the expiry of 8 (eight) years from the date of allotment.

The convertible preference shares contain two components: liability and equity elements. The equity element is presented in equity under the heading of " option premium on convertible notes". The effective interest rate of the liability element on initial recognition is 13.53% p.a.

Particulars	As at 31 March 2022	As at 31 March 2021
Proceeds of issue	**11,500**	11,500
Liability component at the date of issue	**10,768**	10,768
Equity Component	**732**	732
Liability Component (included in "borrowing" (note 12))	**10,768**	10,768
Interest charged calculated at an effect interest rate of 13.53%	**732**	732
Interest paid	-	-
Interest accrued (included in "borrowing" (note 12))	**732**	732

LODHA & CO. MUMBAI-01 Chartered Accountants

(Currency: Indian rupees in lakhs)

31 Employee benefits :

I. Defined contribution plan

The Company's defined contribution plans are Provident Fund & Gratuity Fund. The Company has no further obligation beyond making the contributions to such plans.

Charge to the standalone statement of profit and loss based on contributions:

Particulars	31 March 2022	31 March 2021
Employer's contribution to provident fund	46	47

Disclosures for defined benefit plans based on actuarial valuation reports as on 31 March 2022

The Company has scheme for gratuity as part of post retirement plan. A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

A. Change in present value of defined benefit obligation

Funding Status	(Funded)	(Funded)
Type of benefit	**Gratuity**	Gratuity
Date of reporting	**31 March 2022**	31 March 2021
Present Value of Defined Benefit Obligation as at beginning of the year	335	355
Interest Cost	21	23
Current Service Cost	29	36
Benefits paid directly by the employer	(7)	(34)
Benefit paid from the fund	-	(18)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0	
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(12)	7
Actuarial (Gains)/Losses on Obligations - Due to Experience	(63)	(36)
Present Value of Defined Benefit Obligation as at the end of the year	**303**	335

B. Change in the Fair Value of Plan Assets

Funding Status	(Funded)	
Type of benefit	**Gratuity**	Gratuity
Date of reporting	**31 March 2022**	31 March 2021
Fair Value of Plan Assets at the Beginning of the Period	388	-
Interest Income	24	-
Contributions by the Employer	-	373
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	(18)
(Assets Distributed on Settlements)	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	5	33
Fair Value of Plan Assets at the End of the Period	**417**	388

C. Amount recognised in the Balance Sheet

Funding Status	(Funded)	(Funded)
Type of benefit	**Gratuity**	Gratuity
Date of reporting	**As at 31 March 2022**	As at 31 March 2021
Present Value of Defined Benefit Obligation as at the end of the year	(303)	(335)
Fair Value of Plan Assets as at end of the year	417	388
Funded Status (Surplus/ (Deficit))	114	54
Net (Liability)/Asset recognised in the Balance Sheet (Refer Note 10)	**114**	54

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Fund Management Private Limited

Notes to Standalone Financial Statements (Continued)
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

31 Employee benefits *(Continued)* :

D. Net interest cost for current period

Funding Status	**(Funded)**	(Funded)
Type of benefit	**Gratuity**	Gratuity
Date of reporting	**31 March 2022**	31 March 2021
Present Value of Benefit Obligation at the Beginning of the Period	335	355
Fair Value of Plan Assets at the Beginning of the Period	(388)	-
Net Liability/(Asset) at the Beginning	(54)	355
Interest Cost	21	23
Interest Income	(24)	-
Net Interest Cost for Current Period	(3)	23

E. Expenses recognised in Statement of Profit and Loss

Funding Status	**(Funded)**	(Funded)
Type of benefit	**Gratuity**	Gratuity
Date of reporting	**31 March 2022**	31 March 2021
Current Service Cost	29	36
Past Service Cost	-	-
Interest Cost	(3)	23
Expected Return on Plan Assets	-	-
Curtailments Cost / (Credit)	-	-
Settlements Cost / (Credit)	-	-
Net Actuarial (gain) / loss	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss	26	59

F. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

Date of reporting	**31 March 2022**	31 March 2021
Actuarial (Gains)/Losses on Obligation For the Period	(75)	(29)
Return on Plan Assets, Excluding Interest Income	(5)	(33)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(80)	(62)

G. Principal actuarial assumptions used:

	(%)	(%)
Funding Status	**(Funded)**	(Funded)
Type of benefit	**Gratuity**	Gratuity
Date of reporting	**31 March 2022**	31 March 2021
Expected Rate of return on Plan Assets (per annum)	**6.84%**	6.26%
Discount Rate (per annum)	**6.84%**	6.26%
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) Ultimate

H. Other Details

	As at **31 March 2022**	As at 31 March 2021
No of Active Members	16	25
Per Month Salary For Active Members	38	47
Weighted Average Duration of the Projected Benefit Obligation	8	9
Average Expected Future Service (Years)	7	6
Projected Benefit Obligation (PBO)	303	335
Prescribed Contribution For Next Year (12 Months)	-	-

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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements (Continued)

for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

31 Employee benefits *(Continued)* :

I. Balance Sheet Reconciliation

	As at **31 March 2022**	As at 31 March 2021
Opening Net Liability	**(54)**	355
Expenses Recognized in Statement of Profit or Loss	**26**	59
Expenses Recognized in OCI	**(80)**	(62)
Net Liability/(Asset) Transfer In	**-**	-
Net (Liability)/Asset Transfer Out	**-**	-
(Benefit Paid Directly by the Employer)	**(7)**	(34)
(Employer's Contribution)	**-**	(373)
Net Liability/(Asset) Recognized in the Balance Sheet	**(114)**	(54)

J. Net Interest Cost for Next Year

	As at **31 March 2022**	As at 31 March 2021
Present Value of Benefit Obligation at the End of the Period	**303**	335
(Fair Value of Plan Assets at the End of the Period)	**(417)**	(388)
Net Liability/(Asset) at the End of the Period	**(114)**	(54)
Interest Cost	**21**	21
(Interest Income)	**(29)**	(24)
Net Interest Cost for Next Year	**(8)**	(3)

K. Expenses Recognized in the Statement of Profit or Loss for Next Year

	As at **31 March 2022**	As at 31 March 2021
Current Service Cost	**23**	29
Net Interest Cost	**(8)**	(3)
Expenses Recognized	**15**	26

L. Sensitivity Analysis

Projected Benefits Payable in Future Years From the Date of Reporting	As at **31 March 2022**	As at 31 March 2021
Projected Benefit Obligation on Current Assumptions	**303**	335
Delta Effect of +1% Change in Rate of Discounting	**(19)**	(23)
Delta Effect of -1% Change in Rate of Discounting	**21**	25
Delta Effect of +1% Change in Rate of Salary Increase	**20**	25
Delta Effect of -1% Change in Rate of Salary Increase	**(19)**	(22)
Delta Effect of +1% Change in Rate of Employee Turnover	**(2)**	(4)
Delta Effect of -1% Change in Rate of Employee Turnover	**3**	4

M. Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	As at **31 March 2022**	As at 31 March 2021
Projected Benefit Obligation on Current Assumptions		
1st Following Year	**29**	29
2nd Following Year	**27**	28
3rd Following Year	**26**	27
4th Following Year	**25**	27
5th Following Year	**25**	26
Sum of Years 6 to 10	**140**	125
Sum of Years 11 and above	**240**	302

LODHA & CO. MUMBAI-01 Chartered Accountants

Notes to Standalone Financial Statements (Continued)
for the year ended 31 March 2022

(Currency: Indian rupees in lakhs)

31 Employee benefits *(Continued)* :

Notes:

Gratuity is payable as per Company's scheme as detailed in the report.

The Company has a defined benefit gratuity plan in India (funded). The entity'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 a 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.

During the year, there were no plan amendments, curtailments and settlements.

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 & attrition rate are in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Projected Benefit Obligation is done considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

These plans typically expose the Company to actuarial risks such as: interest rate risk, salary risk, investment risk, asset liability matching risk, mortality risk and concentration risk

Interest risk

A fall in the discount rate, which is linked to the government securities rate, will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk

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

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 securities. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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(Currency: Indian rupees in lakhs)

32 Fair Value Disclosures

a)

Categories of financial instruments:	For the year ended 31 March 2022 FVTPL	FVTOCI	Amortised Cost*	As at 31 March 2021 FVTPL	FVTOCI	Amortised Cost*
Financial assets						
Investments	2,672	-	9,562	4,950	-	12,302
Cash and bank balances	-	-	491	-	-	1,186
Trade receivables	-	-	1,648	-	-	2,146
Other financial assets	-	-	87	-	-	87
Total financial assets	**2,672**	-	**11,788**	4,950	-	15,721
Financial liabilities						
Borrowings	-	-	14,477	-	-	20,435
Trade payables	-	-	354	-	-	405
Other financial liabilities	-	-	848	-	-	1,922
Total financial liabilities	-	-	**15,679**	-	-	**22,762**

b) Fair Value Hierarchy and Method of Valuation

Particulars	Notes	Carrying Value	For the year ended 31 March 2022 Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments	i	2,672	-	-	2,672	2,672

Particulars	Notes	Carrying Value	As at 31 March 2021 Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments	i	4,950	-	-	4,950	4,950

Notes:

i. Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.

* The Company has not disclosed the fair value of loans, trade receivables, other financial assets, borrowings, 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 March 31, 2022

Particulars	Investments	Total
As at April 01, 2020	7,381	7,381
Additions	-	-
Deletions	(196)	(196)
Loss on fair valuation	(2,235)	(2,235)
As at March 31, 2021	**4,950**	**4,950**
Additions	-	-
Deletions	(1,891)	(1,891)
Loss on fair valuation	(387)	(387)
As at March 31, 2022	**2,672**	**2,672**

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32 Fair Value Disclosures *(Continued)*

1) 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 notes 15 and 3 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 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 capital components of the Company are as given below:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Equity	**(398)**	(1,180)
Borrowings	**14,477**	20,435
Total Debt	**14,477**	20,435
Cash and cash equivalents	**491**	1,186
Net Debt	**13,986**	19,249

2) 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 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 below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

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 31 March 2022 and 31 March 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	**For the year ended 31 March 2022**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	11,500	2,977	-	-
Trade payables	354	-	-	-
Other financial liabilities	848	-	-	-
	12,702	**2,977**	-	-

Maturities of financial liabilities	For the year ended 31 March 2021			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	11,500	8,935	-	-
Trade payables	405	-	-	-
Other financial liabilities	1,805	117	-	-
	13,710	9,052	-	-

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	**For the year ended 31 March 2022**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments	2,673	-	-	9,562
Other financial assets	87	-	-	-
Cash and cash equivalents	491	-	-	-
Trade receivables	1,648	-	-	-
	4,899	**-**	**-**	**9,562**

Maturities of financial assets	For the year ended 31 March 2021			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments	4,435	515	-	12,302
Loans	-	-	-	-
Other financial assets	87	-	-	-
Cash and cash equivalents	1,186	-	-	-
Trade receivables	2,146	-	-	-
	7,854	515	-	12,302

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(Currency: Indian rupees in lakhs)

32 Fair Value Disclosures *(Continued)*

3) Market Risk

a) Interest Rate Risk & 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 following table contains information about the significant unobservable inputs used in Level 3 valuations, and the valuation techniques used to measure fair value of instruments. The range of values represent the highest and lowest input used in the valuation techniques. Therefore, the range does not reflect the level of uncertainty regarding a particular input, but rather the different underlying characteristics of the relevant assets and liabilities.

Sensitivity Impact as at 31 March 2022

Method	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact in Value of Investments	
			Yield Increase	Yield Decrease
Fair Value using Discounted Cash flow method.	Discount rate	1%	-	-
Fair Value using Discounted Cash flow method.	Cash Flow	5%	131	(131)

Sensitivity Impact as at 31 March 2021

Method	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact in Value of Investments	
			Yield Increase	Yield Decrease
Fair Value using Discounted Cash flow method.	Discount rate	1%	-	-
Fair Value using Discounted Cash flow method.	Cash Flow	5%	158	(158)

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

c) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

The receivables of the Company are from advisory services to the developers and funds.
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.
Outstanding customer receivables are regularly monitored. Refer note no. 48.1 for trade receivable ageing.

Movement of Expected Credit Loss	As at 31 March 2022	As at 31 March 2021
Opening Balance	32	25
Add: Additonal for the year	47	7
Less: Utlised	0	0
Closing Balance	79	32

Financial instruments and cash deposits

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.

33 Impact of Covid-19

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. The Company's investment may face some head winds due to the emerging economic conditions. Based on the current indicators of future economic conditions, the Company considers the provision in standalone financial statements to be adequate. The extent to which the COVID-19 pandemic will impact the Company's financial statements will depend on 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, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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34 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

(a) Name of related parties

Holding company
Piramal Enterprises Limited

Subsidiary companies
INDIAREIT Investment Management Co.
Piramal Asset Management Private Limited

Joint venture
Asset Resurgence Mauritius Manager

Fellow subsidiary companies with whom transactions has ben carried out
Piramal Capital & Housing Finance Limited
PHL Fininvest Private Limited

Director
Sachin Deodhar (till 03-May-2022)

Other related parties where common control exists, with whom transactions has been carried out
Piramal Corporate Services Private Limited
Aasan Corporate Solutions Pvt Ltd *(formerly known as Aasan Developers & Constructions Pvt Ltd)*

(b) i. Transactions with subsidiaries

Particulars	**Subsidiary company**	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Advisory fees		
INDIAREIT Investment Management Co	**50**	50
Total	**50**	50
Outstanding balance receivables		
INDIAREIT Investment Management Co	**13**	12
Total	**13**	12

(b) ii. Transactions with holding company

Particulars	**Holding company**	
	For the year ended 31 March 2022	**For the year ended 31 March 2021**
Interest on loan		
Piramal Enterprises Limited	**816**	1,106
Total	**816**	1,106
Loan Taken		
Piramal Enterprises Limited	**1,785**	30,195
Total	**1,785**	30,195
Repayment of loan		
Piramal Enterprises Limited	**7,750**	46,646
Total	**7,750**	46,646
Advisory Fees		
Piramal Enterprises Limited	-	366
Total	-	366
Reimbursement of expenses		
Piramal Enterprises Limited	**8**	1
Total	**8**	1
Outstanding balance payable		
Piramal Enterprises Limited	**2,977**	8,962
Total	**2,977**	8,962

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(Currency: Indian rupees in lakhs)

34 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures *(Continued)*

(b) iii. Transactions with Directors

Particulars	Other related parties	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Loan repaid		
Sachin Deodhar	-	58
Total	-	58
Interest on loan given		
Sachin Deodhar	-	3
Total	-	3

(b) iv. Transactions with other related parties where common control exists

Rent paid		
Aasan Corporate Solutions Pvt Ltd	192	178
Total	192	178
Reimbursement of expenses		
Aasan Corporate Solutions Pvt Ltd	12	11
Total	12	11
Royalty charges		
Piramal Corporate Services Private Limited	27	24
Total	27	24
Outstanding balance payable		
Aasan Corporate Solutions Pvt Ltd	17	1
Piramal Corporate Services Private Limited	21	-
Total	38	1

(b) v. Transactions with fellow subsidiaries

Loan Taken		
Piramal Capital and Housing Finance Limited	-	26,700
Total	-	26,700
Repayment of loan		
Piramal Capital and Housing Finance Limited	-	26,700
Total	-	26,700
Interest on Loan		
Piramal Capital and Housing Finance Limited	-	565
Total	-	565
Arranger Fees		
PHL Fininvest Private Limited	1,625	275
Piramal Capital and Housing Finance Limited	200	725
Total	1,825	1,000
Reimbursement of expenses		
Piramal Capital and Housing Finance Limited	6	-
Total	6	(0)

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(Currency: Indian rupees in lakhs)

35 Lease disclosure as Lessee

The Company has office premise on lease basis. The lease period is greater than 1 years with an option to renew the lease after that date. Details for the lease as leasee are as under:

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

Particulars	**31 March 2022**	31 March 2021
Balance as at 01st April	231	377
Depreciation charge for the	146	146
Addition to right-of-use	-	-
Derecognition of right-of-use assets	-	-
Balance as at 31st March 2022	**85**	**231**

Lease Liability

a) Movement in lease liabilities

Particulars	**31 March 2022**	31 March 2021
Balance as at 01st April	272	410
Add: Interest expense	22	40
Less: payment of lease liabilities	(192)	(178)
Balance as at 31st March	**103**	**272**

b) Classification of current and non current

Current	103	155
Non current	-	118
Total	**103**	**272**

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

As at 31 March 2022

Lease liability	**Lease payments**	**Finance charges**	**Net present value**
Later than one year	-	-	-
Not later than one year	107	4	103
Total undiscounted lease liabilities	**107**	**4**	**103**

As at 31 March 2021

Lease liability	**Lease payments**	**Finance charges**	**Net present value**
Later than one year	107	4	103
Not later than one year	192	22	169
Total undiscounted lease liabilities	**299**	**26**	**272**

d) As at 31 March 2022, there are no commitments for short term leases (31 March 2021 : Nil).

e) Amounts recognised in profit and loss	**31 March 2022**	31 March 2021
Amortization of right-of-use asset	**146**	146
Interest expense on lease liabilities	**22**	40

f) The total cash outflow for leases amount to Rs. 192 lakhs (31 March 2021 : Rs. 178 lakhs)

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(Currency: Indian rupees in lakhs)

36 Auditors' remuneration

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
Statutory audit*	10	25
Tax audit	3	5
Total	**13**	**30**

37 Contingent liability

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
	Claims against the Company not acknowledged as debt :		
i	Income tax matters	261	261
ii	Dividend payable on Cumulative Optionally Convertible Participative Preference Shares	**0.06**	0.06

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 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.

38 Unhedged foreign currency exposure

Particulars	As at 31 March 2022		As at 31 March 2021	
	Foreign currency (in lakhs)	Amount	Foreign currency (in lakhs)	Amount
Receivables				
USD	**0.17**	**13**	0.17	12
SGD	-	-	-	-
Total receivables	**0**	**13**	0	12
Payables				
USD	-	-	-	-
SGD	-	-	-	-
GBP	-	-	-	-
Total payables		-		-

39 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Trade payable include Rs. Nil (previous year Rs. Nil) amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED). Under the MSMED which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due there on	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED		-
Amount of interest accrued and remaining unpaid at the end of the accounting year		-

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(Currency: Indian rupees in lakhs)

40 Corporate social responsibility expenditure

The Compant is not required to spent any amount under setion 135 of the Companies Act, 2013.

41 There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

42 No proceeding has been initiated during the year or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

43 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

44 During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.

45 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

46 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

47 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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Piramal Fund Management Private Limited

Notes to Standalone Financial Statements

(Currency: Indian rupees in lakhs)

48.1 Trade Receivables

Particulars as on 31 March 2022	**Less then 6 months**	**6m-1 yr**	**1-2 year**	**2-3 year**	**More than 3 year**	**Total**
Undisputed Trade Receivables - considered good	114	25	168	1,396	-	**1,703**
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	**-**
Disputed Trade Receivables - considered good	-	-	-	-	-	**-**
Disputed Trade Receivables - considered doubtful	-	-	-	24	-	**24**

Particulars as on 31 March 2021	**Less then 6 months**	**6m-1 yr**	**1-2 year**	**2-3 year**	**More than 3 year**	**Total**
Undisputed Trade Receivables - considered good	235	236	1,674	8	-	**2,154**
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	**-**
Disputed Trade Receivables - considered good	-	-	-	-	-	**-**
Disputed Trade Receivables - considered doubtful	-	-	24	-	-	**24**

48.2 Trade payables

Particulars as on 31 March 2022	**Less then 6 months**	**6m-1 yr**	**1-2 year**	**2-3 year**	**More than 3 year**	**Total**
MSME	3	-	-	-	-	**3**
Others	350	0	0	1	-	**352**
Disputed dues -MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**

Particulars as on 31 March 2021	**Less then 6 months**	**6m-1 yr**	**1-2 year**	**2-3 year**	**More than 3 year**	**Total**
MSME	0	0	-	-	-	**1**
Others	325	2	76	1	-	**404**
Disputed dues -MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**

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(Currency: Indian rupees in lakhs)

49 Deferred tax asset

Deferred tax asset is recognised to the extent it is probable that future taxable profits will be available against which the deductible temporary differences and carried forward losses can be utilized. In view of tax losses carry forward as at 31 March 2022, in the absense of convincing evidence that sufficient taxable income will be available against which deferred tax asset on deductible temporary difference can be realised. Accordingly, the Company did not record any deferred tax asset as at 31 March 2022.

50 The previous year figures have been re-grouped / re-classified wherever required to conform to current year's classification.

Signature to notes 1-50

For and on behalf of the Board of Directors of
Piramal Fund Management Private Limited

Khushru Jijina	**Niraj Bhukhanwala**
Director	*Director*
DIN: 00209953	DIN: 00113468

Mumbai
Date: 24-May-2022

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Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Piramal Systems and Technologies Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements **Piramal Systems and Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 notes to the financial statements including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its profit (financial performance 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 specified under section 143 (10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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 Indian Accounting Standards (Ind AS) prescribed 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 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 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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:

a) 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.

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b) 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 Companies Act, 2013, 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

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

d) 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.

e) 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 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 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

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b) In our opinion, proper books of account as requiredby 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, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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 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 section 197(16) of the Act, as amended, the company has not paid any remuneration to its directors during the year hence provisions of section 197 of the Act shall not be 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 does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There are no amounts which are 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, 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 its 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;

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(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 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.

For M/s. Mayur Khandelwal & Co.
Chartered Accountants
FRN: 134723W

(MAYUR KHANDELWAL)
Partner
Membership No. 146156

UDIN: 22146156AKGNJD5386
Mumbai: May 18, 2022

ANNEXURE 'A'
TO THE 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 **Piramal Systems and Technologies Private Limited** on the standalone Ind AS financial statements for the year ended 31st March 2022]

(i) The company does not hold any Property, Plant and Equipment, intangible assets and immovable properties accordingly, reporting on paragraph 3 (i) of the order is not applicable.

(ii) (a) The company does not have any inventory, and hence reporting on paragraph 3 (ii)(a) of the order is not applicable.

(b) During any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions and hence reporting on paragraph 3 (ii) (b) of the order is not applicable.

(iii) During the year 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 Partnerships or any other parties and hence reporting on paragraph 3 (iii) of the order is not applicable.

(iv) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 applies, accordingly, paragraph 3 (iv) of the order is not applicable.

(v) In our opinion, based on our examination and according to information and explanation given to us, the company has not accepted any deposits and hence reporting on paragraph 3 (v) of the order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence reporting on paragraph 3 (vi) of the order is not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including income-tax and any other statutory dues as applicable to the Company to the appropriate authorities.

(b) There are no dues of income tax which have not been deposited on account of any disputes.

(viii) There are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

(ix) (a) In our opinion, based on our examination and according to information and explanation given to us, the company does not have any loans or other borrowings from any lender and hence reporting on paragraph 3 (ix) (a) of the order is not applicable.

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(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting on paragraph 3 (ix) (c) of the Order is not applicable.

(d) No funds are raised by the company during the year and hence, reporting on paragraph 3 (ix) (d) of the Order is not applicable.

(e) The company has not taken any funds from any entity or person during the year and hence reporting on paragraph 3 (ix) (e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on paragraph 3 (ix) (f) of the Order is not applicable.

(x) a. According to the information and explanations given to us and based on our examination of the records of the company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments).

b. According to the information and explanations given to us and based on our examination of the records of the company, the company has made preferential allotment of equity shares during the year and in respect of which the Company complied with section 42 and 62 of the Act and amount raised have been applied for the purposes for which the funds are raised.
Apart from this, the company has not made any preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 this report.

(c) The company has not received any whistle-blower complaints during the year and hence reporting on paragraph 3 (xi) (c) of the order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting on paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further provisions of section 177 of the Act are not applicable to the company.

(xiv) Internal audit is not applicable to the Company; hence paragraph 3(xiv) of the Order is not applicable to the Company.

Mayur Khandelwal & Co.
Chartered Accountants

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) According to the information and explanation given to us and based on our examination of the records of the company, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

(xvii) The company has incurred following cash profit / losses in the financial year and in immediately preceding financial year: -

(Amount in Lakhs.)

Particulars	Current F.Y.	P.Y.
Net Profit/(Loss)	588.46	(5017.53)
Non-Cash Items :-		
(A) Expenses		
i) Provision for dimunition in investments	-	1971.11
ii)Provision for expected credit losses	-	2816.72
iii)Unrealised Foreign Exchange Loss	-	26.40
(B) Income		
ii)Provision for expected credit losses	(694.98)	-
iii)Unrealised Foreign Exchange Loss	(114.69)	-
Cash Losses	(221.21)	(203.3)

(xviii) There has been no resignation of statutory auditors during the year.

(xix) 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 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 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 based on our examination of the records of the company and hence reporting on paragraph 3(xx) of the Order is not applicable.

Mayur Khandelwal & Co. Chartered Accountants

(xxi) The company is not required to prepare consolidated financial statements and hence paragraph 3 (xxi) of the Order is not applicable to the Company.

For M/s. Mayur Khandelwal & Co.
Chartered Accountants
FRN: 134723W

(MAYUR KHANDELWAL)
Partner
Membership No. 146156

UDIN: 22146156AKGNJD5386
Mumbai: May 18, 2022

Mayur Khandelwal & Co. * Chartered Accountants *

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **Piramal Systems and Technologies 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Piramal Systems and Technologies Private Limited** ("the Company") as at March 31, 2022, in conjunction with our audit of the 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 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, 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.

Auditors' responsibility

Our responsibility is to express an opinion on the 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 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 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 in 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 control system over financial reporting.

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.

Mayur Khandelwal & Co. Chartered Accountants

A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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 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 M/s. Mayur Khandelwal & Co.
Chartered Accountants
FRN: 134723W

(MAYUR KHANDELWAL)
Partner
Membership No. 146156

Mayur Khandelwal & Co. * Chartered Accountants

UDIN: 22146156AKGNJD5386
Mumbai: May 18, 2022

Piramal Systems And Technologies Private Limited
Balance Sheet as at March 31, 2022
(Currency: Indian Rupees in lakhs)

Particulars	Note No	31.03.2022	31.03.2021
ASSETS			
Non-current assets			
(a) Financial Assets			
(i) Investments	3	-	-
(b) Other non-current assets	4	0.20	56.80
Current assets			
(a) Financial Assets			
(ii) Trade receivables		-	-
(i) Cash and cash equivalents	5	43.39	29.00
(iv) Bank balances other than(iii) above			
(ii) Loans	6	-	-
(iii) Other financial assets	7	-	-
Total Assets		**43.59**	**85.80**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8	4,943.41	450.00
(b) Other Equity	9	(4,935.95)	(5,524.40)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	-	3,604.80
(ii) Trade Payables:-			
(A) total outstanding dues of micro enterprises and small enterprises; and		0.01	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1.18	1.35
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	-	1,527.50
(a) Other current liabilities	12	34.95	26.55
Total Equity and Liabilities		**43.59**	**85.80**
See accompanying notes to the Financial Statements			

For M/s. Mayur Khandelwal & Co.
Firm Registration Number: 134723W
Chartered Accountants

Mayur Khandelwal & Co. Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mumbai
Date : May 18, 2022

For and on behalf of Board of Directors of
Piramal Systems and Technologies Private Limited

Harinder Singh Sikka
Director

Bipin Singh
Director

Shivangi Deshpande
Chief Financial Officer

Archana Mudaliar
Company Secretary

Piramal Systems & Technologies Private Limited

Mumbai
Date : May 18, 2022

Piramal Systems And Technologies Private Limited
Statement of Profit and loss for the year ended March 31, 2022
(Currency: Indian Rupees in lakhs)

Particulars	Note No	31.03.2022	31.03.2021
I. Other Income	13	982.37	217.30
II. Total Income	(I + II)	**982.37**	**217.30**
III. Expenses:			
Employee benefit expense		0.05	-
Financial costs	14	349.98	444.80
Other expenses	15	43.88	4,790.03
Total Expenses		**393.91**	**5,234.83**
IV. Profit / (Loss) before tax	(II-III)	**588.46**	**(5,017.53)**
V. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VI. Profit / (Loss) for the period	(IV-V)	**588.46**	**(5,017.53)**
VII. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) income tax relating to items that will be reclassified to profit or loss		-	-
VIII. Total Comprehensive Income for the period (XIII+XIV)	(VI+VII)	**588.46**	**(5,017.53)**
IX. Earning per equity share	19		
1. Basic EPS (In Rs.)		10.49	(111.50)
2. Diluted EPS (In Rs.)		10.49	(111.50)
See accompanying notes to the Financial Statements			

For M/s. Mayur Khandelwal & Co.
Firm Registration Number: 134723W
Chartered Accountants

Mayur Khandelwal & Co. * Chartered Accountants *

Mayur Khandelwal
Partner
Membership No. 146156

Mumbai
Date : May 18, 2022

For and on behalf of Board of Directors of
Piramal Systems and Technologies Private Limited

Harinder Singh Sikka
Director

Bipin Singh
Director

Shivangi Deshpande
Chief Financial Officer

Archana Mudaliar
Company Secretary

Mumbai
Date : May 18, 2022

Piramal Systems & Technologies Private Limited *

Piramal Systems And Technologies Private Limited
Statement of Changes in Equity for the year ended March 31, 2022
(Currency: Indian Rupees in lakhs)

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
450.00	4,493.41	4,943.41

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
450.00	-	450.00

B. Other Equity

(1) Current reporting period

Particulars	Equity component of Convertible debentures	Reserves and Surplus	Total
		Retained Earnings	
Balance at the beginning of the current reporting period	572.00	(6,096.40)	(5,524.40)
Total Comprehensive Income for the current year		588.46	588.46
Balance at the end of the current reporting period	572.00	(5,507.95)	(4,935.95)

(2) Previous reporting period

Particulars	Equity component of Convertible debentures	Reserves and Surplus	Total
		Retained Earnings	
Balance at the beginning of the current reporting period	572.00	(1,078.87)	(506.87)
Total Comprehensive Income for the current year	-	(5,017.53)	(5,017.53)
Balance at the end of the current reporting period	572.00	(6,096.40)	(5,524.40)

For M/s. Mayur Khandelwal & Co.
Firm Registration Number: 134723W
Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mayur Khandelwal & Co. Chartered Accountants

Mumbai
Date : May 18, 2022

For and on behalf of Board of Directors of
Piramal Systems and Technologies Private Limited

Harinder Singh Sikka
Director

Bipin Singh
Director

Shivangi Deshpande
Chief Financial Officer

Archana Mudaliar
Company Secretary

Piramal Systems & Technologies Private Limited

Mumbai
Date : May 18, 2022

Piramal Systems And Technologies Private Limited
Cash Flow Statement for the year ended March 31, 2022
(Currency: Indian Rupees in lakhs)

	Particulars	31.3.2022	31.3.2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	588.46	(5,017.53)
	Adjustments :	-	-
	Interest income on loans given	(140.38)	(243.70)
	Interest expense on loans taken	349.98	444.80
	Provision / (Reversals) of expected credit losses	(694.98)	4,787.83
	Unrealized foreign exchange (gain) / loss	(114.69)	26.40
	(Operating Loss) before Working Capital Changes	**(11.61)**	**(2.20)**
	Adjustments For Changes In Working Capital :		
	- (Increase) / Decrease in Loans	255.07	2,243.94
	- (Increase) / Decrease in Other non current assets	56.60	32.50
	- (Increase) / Decrease in Other financial assets	-	-
	- Increase / (Decrease) in Trade Payables	(0.17)	(0.20)
	- Increase / (Decrease) in Other Current Liabilities	8.39	(13.60)
	Cash Generated From Operations	**308.27**	**2,260.44**
	- Taxes Paid (Net of Refunds)	-	-
	Net Cash From / (Used in) Operating Activities (A)	**308.27**	**2,260.44**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest income on loans given		
	Net Cash From /(Used in) Investing Activities (B)	-	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Borrowings (net)	(293.89)	(2,235.01)
	Net Cash From / (Used in) Financing Activities (C)	**(293.89)**	**(2,235.01)**
	Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+ (C)	**14.38**	**25.43**
	Cash and Cash Equivalents as at 31.3.2021	29.00	3.57
	Cash and Cash Equivalents as at 31.3.2022	**43.39**	**29.00**
	Cash and Cash Equivalents Comprise of:		
	Balances with Banks	43.39	29.00

The above Statement of cash flows should be read in conjunction with the accompanying notes

As per our report of even date attached

For M/s. Mayur Khandelwal & Co.
Firm Registration Number: 134723W
Chartered Accountants

Mayur Khandelwal & Co. ★ Chartered Accountants ★

Mayur Khandelwal
Partner
Membership No. 146156

Mumbai
Date : May 18, 2022

For and on behalf of Board of Directors of
Piramal Systems and Technologies Private Limited

Harinder Singh Sikka
Director

Bipin Singh
Director

Shivangi Deshpande
Chief Financial Officer

Archana Mudaliar
Company Secretary

Mumbai
Date : May 18, 2022

PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED ★

PIRAMAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the Year ended March 31, 2022

1. GENERAL INFORMATION
The Company was incorporated on 31st May, 2011 and acts as the Holding company for the Homeland Security Segment.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) **Basis of preparation**
Compliance with Ind AS
The separate 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.
The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.
Since the Parent Company has presented a complete set of Consolidated Financial Statements, the Company has elected to present Separate Financial Statements only.

ii) **Presentation and Disclosure of financial statements**
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.
Previous years' figures have been regrouped and reclassified wherever required.

iii) **Investments in susidiaries**
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.
Investments in Subsidiaries are accounted at cost.

iv) **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
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.
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.

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable

to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed 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.

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 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.
Fair value through other comprehensive income (FVTOCI):
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
Fair value through profit or loss:
Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.
Equity instruments
The 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
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 18, 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.
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
1) Significant negative deviation in the business plan of the developer
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the developer
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

Mayur Khandelwal & Co. Chartered Accountants

PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

PIRAMAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the Year ended March 31, 2022

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

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:

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,

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 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.

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

Foreign exchange gains and losses

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

Financial Guarantee Contracts

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

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

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

Derecognition of financial liabilities

The 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

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,

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: 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.

vi) Foreign Currency Transaction

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 profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Mayur Khandelwal & Co. Chartered Accountants

PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

vii) **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

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.

viii) **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.

ix) **Earnings Per Share**

In determining earnings per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

Mayur Khandelwal & Co. Chartered Accountants

PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

PIRAMAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the Year ended March 31, 2022
(Currency: Indian Rupees)

3. INVESTMENTS	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2022 Rs. in Lakhs
Non-current investments		
Equity instruments of Subsidiaries #	1,971.11	1,971.11
Less: Provision for Expected Credit losses	(1,971.11)	(1,971.11)
	-	-

 # Investments in Subsidiaries

	As at March 31, 2022		As at March 31, 2021	
	Quantity	(Rs.in Lakhs)	Quantity	(Rs.in Lakhs)
In equity shares				
Unquoted				
i. Piramal Technologies SA	33,00,000	1,971.11	33,00,000	1,971.11
		1,971.11		**1,971.11**

		As at March 31, 2022 Rs. in Lakhs		As at March 31, 2021 Rs. in Lakhs
4. OTHER NON-CURRENT ASSETS				
Deposits		0.20		0.20
Advance tax	56.64			
Less: Provision for expected credit losses	(56.64)	-		56.60
TOTAL		**0.20**		**56.80**

		As at March 31, 2022 Rs. in Lakhs		As at March 31, 2021 Rs. in Lakhs
5. CASH AND CASH EQUIVALENTS				
i. Balance with Banks				
- Current Accounts		43.39		29.00
TOTAL		**43.39**		**29.00**

		As at March 31, 2022 Rs. in Lakhs		As at March 31, 2021 Rs. in Lakhs
6. LOANS - CURRENT				
At amortised cost:				
Loans to related parties	2,060.70		2,816.72	
Less: provision for expected credit losses	(2,060.70)	-	(2,816.72)	-
TOTAL		-		-

		As at March 31, 2022 Rs. in Lakhs		As at March 31, 2021 Rs. in Lakhs
7. OTHER FINANCIAL ASSETS				
Interest accrued on loan	9.40			-
Less: Provision for expected credit losses	(9.40)	-		-
TOTAL		-		-

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PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED ★

PIRAMAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the Year ended March 31, 2022

	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
8. SHARE CAPITAL		
AUTHORISED		
5,00,00,000 (5,00,00,000) Equity Shares of Rs.10/- each	5,000.00	450.00
	5,000.00	450.00
ISSUED, SUBSCRIBED AND PAID UP		
4,94,34,081 (4,94,34,081) Equity Shares of Rs.10/- each	4,943.41	450.00
TOTAL	4,943.41	450.00

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Equity Shares

	As at March 31, 2022		As at March 31, 2021	
Particulars	**No. of shares**	**Rs. in Lakhs**	**No. of shares**	**Rs. in Lakhs**
At the beginning of the year	45,00,000	450.0	45,00,000	450.0
Add: Issued during the year	4,49,34,081	4,493.41	-	-
At the end of the year	**4,94,34,081**	4,943.41	**45,00,000**	450.00

b) Rights, preferences and restrictions attached to 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. 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.

c) Shares held by holding company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	**Rs. In Lakhs**	**No. of shares**	**Rs. In Lakhs**
Piramal Enterprises Limited	4,94,34,071	4,943.41	45,00,000	450.00

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at March 31, 2022		As at March 31, 2021	
Particulars	**No. of shares**	**% Holding**	**No. of shares**	**% Holding**
Piramal Enterprises Limited	4,94,34,071	99.99998%	44,99,990	99.9998%

e) Details of shareholding of Promoters in the Company	As at March 31, 2022			As at March 31, 2021		
Particulars	**No. of shares**	**% of total shares**	**% change during the year**	**No. of shares**	**% of total shares**	**% change during the year**
Piramal Enterprises Limited	4,94,34,071	99.99998%	-	44,99,990	99.9998%	-
Ajay G Piramal #	10	0.00002%	-	10	0.0002%	-

shares are jointly held with Piramal Enterprises Limited

		As at March 31, 2022 Rs. in Lakhs		As at March 31, 2021 Rs. in Lakhs
9. Other Equity				
Retained Earnings				
As per Last Balance Sheet	(6,096.40)		(1,078.87)	
Add: Profit / (Loss) for the year	588.46		(5,017.53)	
		(5,507.95)		(6,096.40)
Equity component of convertible debentures (Refer note 19)		572.00		572.00
TOTAL		**(4,935.95)**		**(5,524.40)**

	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
10. LONG TERM BORROWINGS		
At amortized cost		
Unsecured Redeemable Non Convertible Debentures (refer note below)		
Nil (Previous Year: 360) Optionally Fully Convertible Debentures of Rs. 10,00,000 each	-	3,604.80
TOTAL	-	**3,604.80**

Note: The Company has issued 360 Unsecured Optionally Fully Convertible Debentures of Rs. 10,00,000 each to its Holding Company - Piramal Enterprises Limited , which carry interest rate of 6%, payable annually. These debentures are redeemable at the end of 10 years from the date of allotment - March 14, 2013. Further, during the current year, FY 2021-22, the balance unpaid liability including interest accrued was converted into equity viz. 3,60,26,630 shares of Rs.10 each,fully paid

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PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

PIRAMAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the Year ended March 31, 2022

	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
11. CURRENT BORROWINGS		
Loans from a related party (refer notes below)	-	1,527.50
TOTAL	-	1,527.50

Notes:

1

Description of loan	Terms of repayment	Rate of Interest
Unsecured Loans:		
Loans from a related party	At Call	11.45%

2 During the current year, FY 2021-22, the balance unpaid liability including accrued interest was converted into equity viz, 89,07,451 shares of Rs.10 each,fully paid

	As at March 31, 2022 Rs. in Lakhs	As at March 31, 2021 Rs. in Lakhs
12. OTHER CURRENT LIABILITIES		
Statutory dues	34.95	26.55
TOTAL	34.95	26.55

PIRAMAL SYSTEMS AND TECHNOLOGIES PRIVATE LIMITED
Notes to financial statements for the Year Ended March 31, 2022
(Currency: Indian Rupees)

		Year Ended March 31, 2022 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs
13. OTHER INCOME			
Interest Income on Financial Assets			
- On Loans (at amortised cost)		140.38	243.70
Reversal of expected credit losses (net)	906.95		
Provision for expected credit losses	-211.98		
		694.98	-
Foreign Exchange gain (Net)		147.02	(26.40)
TOTAL		982.37	217.30

	Year Ended March 31, 2022 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs
14. FINANCE COSTS		
Interest Expense on financial liabilities measured at amortised cost	349.98	444.80
TOTAL	349.98	444.80

	Year Ended March 31, 2022 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs
15. OTHER EXPENSES		
Rates & Taxes	43.25	0.60
Professional Charges	0.12	1.20
Bank charges	0.11	-
Auditors' remuneration (refer note below)	0.40	0.40
Provision for dimunition in investment	-	1,971.11
Provision for expected credit losses	-	2,816.72
TOTAL	43.88	4,790.03

Note : Breakup of Auditors' remuneration

Particulars	Year Ended March 31, 2022 Rs. in Lakhs	Year Ended March 31, 2021 Rs. in Lakhs
Auditors' remuneration in respect of:		
Statutory Auditors:		
- Statutory Audit (excluding taxes)	0.40	0.40

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PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

Piramal Systems and Technologies Private Limited
Notes to Financial Statements as on March 31, 2022
(Currency: Indian Rupees)

16. Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

A. Controlling Company

- Piramal Enterprises Limited

B. Subsidiary Company

- Piramal Technologies SA, Switzerland

C. Associate Company

- Bluebird Aero Systems Limited (till 3rd March 2021) *

* There are no transactions during the year

D. Fellow subsdiary

- Piramal Consumer Products Private Limited

(Rs. In Lakhs)

Details of Transactions	Controlling Company	Subsidiary / Fellow Subsidiary	Controlling Company	Subsidiary / Fellow Subsidiary
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Loans received				
- Piramal Enterprises Limited	-	-	13.50	-
- Piramal Consumer Products Private Limited	-	-		2,100.00
	-	**-**	**13.50**	**2,100.00**
Loan repaid				
- Piramal Enterprises Limited	-	-	305.23	-
- Piramal Consumer Products Private Limited	-	-		2,100.00
	-	**-**	**305.23**	**2,100.00**
Loan repayment received by company				
- Piramal Technologies SA		1,042.52		698.77
	-	**1,042.52**	**-**	**698.77**
Interest paid				
- Piramal Enterprises Limited	349.98	-	374.38	-
- Piramal Consumer Products Private Limited	-	-		70.42
	349.98	**-**	**374.38**	**70.42**
Employee benefits expenses				
- Piramal Enterprises Limited	0.05	-	-	-
	0.05	**-**	**-**	**-**
Allotment of equity shares				
- Piramal Enterprises Limited	4,493.41	-	-	-
	4,493.41	**-**	**-**	**-**
Payable				
- Piramal Enterprises Limited	0.05	-	5,132.30	-
	0.05	**-**	**5,132.30**	**-**
Receivable, Net of provisions				
- Piramal Technologies SA	-	-	-	-
	-	**-**	**-**	**-**

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PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED ★

17 Risk Management :

a. Foreign Currency Risk Management

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) Particulars of foreign currency exposures as at the reporting date

Currency	March 31, 2022				March 31, 2021			
	Loans to Related Parties, net of provision		Current Account Balances		Loans to Related Parties		Current Account Balances	
	FC in Lakhs	Rs. In Lakhs	FC in Lakhs	Rs. In Lakhs	FC in Lakhs	Rs. In Lakhs	FC in Lakhs	Rs. In Lakhs
CHF	-	-	-	-	-	-	-	-

The Company is mainly exposed to CHF. 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.

Currencies	For the year ended March 31, 2022				For the year ended March 31, 2021		
	Increase/ Decrease	Total Assets in FC in Lakhs	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (Rs. In Lakhs)	Total Assets in FC	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (Rs. In Lakhs)
CHF	Increase by 5%*	0.11	4.02	0.46	NA	NA	NA
CHF	Decrease by 5%*	(0.11)	(4.02)	(0.46)	NA	NA	NA

* Holding all the variables constant

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PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED ★

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Notes to Financial Statements as on March 31, 2022
(Currency: Indian Rupees)

b. 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 8 and 10 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 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:	March 31, 2022	Rs. in lakhs March 31, 2021
Total Equity	7.46	(5,074.40)
Short Term Borrowings	-	1,527.50
Long Term Borrowings	-	3,604.80
Current Maturities of Long Term Borrowings		
Total Debt	-	5,132.30
g Cash & Cash equivalents	(43.39)	(29.00)
Bank balances other than above		
Net Debt	(43.39)	5,103.30
Net Debt to Equity ratio	(5.81)	(1.01)

c. 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 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. 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	-	-	-	-
Trade Payables	1.18	-	-	-
	1.18	-	-	-

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	5,132.30	-	-	-
Trade Payables	1.35	-	-	-
	5,133.65	-	-	-

d. Interest Rate Risk Management

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities.

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

Particulars	March 31, 2022 Rs. in lakhs	March 31, 2021 Rs. in lakhs
Variable rate borrowings	-	1,316.35
Fixed rate borrowings	-	3,600.00
	-	4,916.35

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 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 for the year ended/Other Equity as on March 31, 2022 would decrease/increase by NIL (Previous year Rs. 13.16 Lakhs). This is attributable to the Company's exposure to borrowings at floating interest rates.

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Piramal Systems & Technologies Private Limited

18. Optionally Fully Convertible Debentures (OFCD)

On April 16, 2013, the Company issued 360 optionally fully convertible debentures of Rs. 10 Lakhs each redeemable at par. Tenure of OFCDs is 10 years from date of allotment. Put option is available to the holder for conversion or redemption. Call option is available to the Company for conversion or redemption. On conversion or redemption of OFCD, OFCD along with the interest accrued thereon shall be converted into Equity shares of Rs. 10 each of the Company at par.On exercise of Call or Put Option for redemption of the OFCD or as the case may be, upon expiry of the tenure of the OFCD, if not converted or redeemed earlier, the OFCD shall be redeemed by the Company at par together with accrued interest thereon. Call or put options can be exercised at any time after the expiry of 5 years from the date of allotment during the tenure of OFCDs. Option notice need to be given 15 days prior to the relevant Option date.Where OFCDs are converted into equity shares upon exercise of Call or Put Options for conversion, such equity shares shall rank pari-passu with the existing equity shares of the Company provided that such shares shall be entitled to proportionate dividend, if declared, for the year in which they shall stand converted, with effect from the date of conversion.The OFCDs shall have no right to receive dividend, till conversion into equity shares. Until conversion into equity shares as aforesaid the OFCDs shall also not carry any Voting Rights.

The OFCD contain two components: liability and equity elements. The equity element is presented in equity under the heading of " equity component of OFCD". The effective interest rate of the liability element on initial recognition is 12.89% p.a. upto 16.04.2018. i.e. 5 years from the date of issue of the debentures.

(Rs. in Lakhs)

Particulars	As at 31-March-2022	As at 31-March-2021
Proceeds of issue	3,600.00	3,600.00
Liability Component at the date of issue	(3,028.00)	(3,028.00)
Equity Component	**572.00**	**572.00**
Liability Component (included in "non current borrowing")	-	**3,604.80**

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PIRAMAL SYSTEMS & TECHNOLOGIES PRIVATE LIMITED

Piramal Systems and Technologies Private Limited
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(Currency: Indian Rupees)

19 Earning Per Share (EPS) - EPS is calculated by dividing the loss attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

	Particulars	For the year ended	
		March 31,2022	March 31,2021
		Rs. In Lakhs	Rs. In Lakhs
1	Profit / (Loss) after tax	588.46	(5,017.53)
2	Weighted Number of Shares (nos.)	56,07,964	45,00,000
3	Basic EPS (Rs. Per share)	10.49	(111.50)
4	Diluted EPS (Rs. Per share)	10.49	(111.50)
5	Face value per share (Rs.)	10.00	10.00

20 **(a) Ageing schedule of trade payables**

As at March 31, 2022	(Amount in lakhs)				
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	0.01	-	-	-	0.01
(ii)Others	1.17			-	1.17
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

As at March 31, 2021	(Amount in lakhs)				
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	1.35			-	1.35
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

(b) Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	540	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	-	-
Further interest remaining due and payable for earlier years	-	-

21 There are no contingent liabilities for the year ended F.Y. 2021-22.

22 The financial statements were approved by board of directors on XXXX 2022

23 **Ratio analysis**

Ratio	For the year ended March 31, 2022	For the year ended March 31, 2021	variance (%)	Reason for variance
Current ratio	1.24	1.09	14%	
Debt-equity ratio	0.00	11.41	-100%	Conversion of debt into equity during the current year
Debt service coverage ratio	2.68	-10.28	N.A	Conversion of debt into equity during the current year

Mayur Khandelwal & Co. Chartered Accountants

Return on equity ratio	0.12	-11.15	-101%	Increase in equity share capital and current year profit as compared during the previous year
Inventory turnover ratio	N.A	N.A	N.A	
Trade receivables turnover ratio (in days)	N.A	N.A	N.A	
Trade payables turnover ratio (in days)	N.A	N.A	N.A	
Net capital turnover ratio	N.A	N.A	N.A	
Net profit margin (%)	N.A	N.A	N.A	
Return on capital employed	125.75	0.90	13854%	Increase in equity share capital and current year profit as compared during the previous year
Return on investment	N.A	N.A	N.A	

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

Signature to note 1 to 24 of Financial Statements.

As per our report of even date attached

For M/s. Mayur Khandelwal & Co.
Firm Registration Number: 134723W
Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mayur Khandelwal & Co. Chartered Accountants

Mumbai
Date : May 18, 2022

For and on behalf of Board of Directors of
Piramal Systems and Technologies Private Limited

Harinder Singh Sikka
Director

Bipin Singh
Director

Shivangi Deshpande
Chief Financial Officer

Archana Mudaliar
Company Secretary

Mumbai
Date : May 18, 2022

Piramal Systems & Technologies Private Limited

Deloitte Haskins & Sells LLP

Chartered Accountants
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Tower 3, 27th-32nd Floor
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Maharashtra, India

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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.

- 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.

- 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.

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.

(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

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.

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

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 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.

(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:

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

(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.

(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	For the period March 04, 2020 To March 31, 2021
		Rs. in Crores	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 Rs. in Crores	For the period March 04, 2020 To March 31, 2021 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

Nandini Piramal
Chairperson
DIN : 00286092

Rupen K. Bhatt
Partner
Membership Number: 046930

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24 2022

Mumbai, May 24 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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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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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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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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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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Notes to financial statements for the year ended March 31, 2022

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

PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

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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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.	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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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
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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	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
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		As at March 31, 2021	
	No. of shares	Rs. in Crores	No. of shares	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		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% 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**

		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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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
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

	For the year ended March 31, 2022		For the period March 04, 2020 To March 31, 2021	
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**

	For the year ended March 31, 2022	For the period March 04, 2020 To March 31, 2021
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**

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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
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**

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36 Contingent Liabilities and Commitments	**As at March 31, 2022 Rs. in Crores**	**As at March 31, 2021 Rs. in Crores**
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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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.

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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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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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Notes to financial statements for the year ended March 31, 2022

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 Trade receivables		As at March 31, 2021 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 Trade payables/(advance to supplier)		As at March 31, 2021 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 Loan from Banks		As at March 31, 2021 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

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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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	-	-

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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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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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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.

For and on behalf of the Board of Directors

DELOITTE HASKINS & SELLS LLP
MUMBAI
DHS

Nandini Piramal
Chairperson
DIN : 00286092

Vivek Valsaraj
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24, 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 REPORT

To The Members of
Piramal Investment Advisory Services Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Piramal Investment Advisory Services 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 Statement of Changes in Equity and the Statement of Cash Flow 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 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), changes in equity and its cash flows 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 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 financial statements.

Information Other than the 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's Report including Annexures to the Board report, but does not include the financial statement 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.

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.

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Responsibilities of Management and those charged with Governance 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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 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.

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- 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 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 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 an 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.

Other Matters:

(a) The opening balances as of 1st April 2021 has been taken based on the Standalone financial statements for the year ended 31st March 2021 audited by the predecessor independent auditor who vide their report dated 10th May 2021 have expressed an unmodified opinion.

(b) We draw your attention to the Note 23 to the financial results 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 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), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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(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 Section 197(16) of the Act, as amended, The Company being a private limited Company, Section 197 of the Act is not applicable.

(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:

i. The Company does not have any pending litigations as on March 31, 2022 which would impact its financial position.

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 to 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 no. 37 to financial statements)

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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: 22044101AKMOEB3548

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 Piramal Investment Advisory Services Private Limited of even date:

i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets: - The Company does not have any PPE and Intangible assets and hence reporting under clause 3(i) (a), (b), (c) and (d) of the order is not applicable to the Company.

b. In our opinion and according to the information and explanations given to us, neither any proceedings have been initiated during the year nor 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.

ii. a. The Company is in the business of providing financial services and does not have any physical 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 and on the basis of our examination of records, the Company does not have any sanctioned working capital at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is 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 has not provided any loans or advances in the nature of loans or guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of records, the investment made are in the ordinary course of business and accordingly in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable with respect to the investments made during the year. The Company has not provided any loans, guarantee and security during the year.

v. According to the information and explanations given to us and on the basis of our examination of records, 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.

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vi. The Central Government has not prescribed the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of nature of services rendered by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained 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 generally 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 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.

(b) According to the information and explanations given to us and on the basis of our examination of records, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of records, there were no transactions relating to previous years 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) of the Order is not applicable to the Company.

(b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of our examination of records, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is applicable to the Company.

(d) On an overall examination of the 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 does not have any subsidiaries, associates or joint venture and hence reporting under clause 3(ix)(e) and (f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us and on the basis of our examination of 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.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, 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 is not applicable to the Company.

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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.

(c) Based on our audit procedure performed and according to the information and explanations given to us, the Section 177(9) of the Act is not applicable and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us and on the basis of our examination of records, 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 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard. The Section 177 of the Act is not applicable to the Company. (Refer note no. 20 to the financial statements)

xiv. According to the information and explanations given to us and on the basis of our examination of records, as the Company's turnover is less than 200 crores and it does not have any borrowings from banks/ financial institutions, provision of Section 138 of the Act relating to appointment of internal audit is not applicable and hence reporting under clause 3(xiv)(a) and 3(xiv(b) of the order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of 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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) 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 immediately preceding financial year.

xviii. There has been 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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 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 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

LODHA & CO. MUMBAI-01 Chartered Accountants

R.P Baradiya
Partner
Membership No.44101
UDIN: 22044101AKMOEB3548

Place: Mumbai
Date: May 25, 2022

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Piramal Investment Advisory Services 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 Piramal Investment Advisory Services Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 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.

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

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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 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: 22044101AKMOEB3548

LODHA & CO. MUMBAI-01 Chartered Accountants

Place: Mumbai
Date: May 25, 2022

Piramal Investment Advisory Services Private Limited
Balance Sheet
as at March 31, 2022

(Currency : Indian Rupees in lakhs)

	Note No	As At March 31, 2022	As At March 31, 2021
ASSETS			
Non-current assets			
(a) Financial assets:			
(i) Investments	3	2.50	25,670.23
(b) Deferred tax assets (net)		-	130.65
(c) Other non-current tax assets	4	92.33	62.28
Total Non-Current Assets		**94.83**	**25,863.16**
Current assets			
(a) Financial assets:			
(i) Investments	5	53.52	51.96
(ii) Trade receivables	6	0.95	0.91
(iii) Cash and cash equivalents	7	2,204.97	29,767.59
(vi) Other financial assets	8	5.00	4.38
Total Current Assets		**2,264.44**	**29,824.84**
TOTAL ASSETS		**2,359.27**	**55,688.00**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	9	270.00	270.00
(b) Other equity	10	1,514.39	452.00
		1,784.39	**722.00**
Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	11	-	24,840.00
		-	**24,840.00**
Current liabilities			
(a) Financial Liabilities:			
(i) Borrowings	11	-	30,016.19
(ii) 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		22.20	89.22
(iii) Other financial liabilities	12	483.10	-
(b) Other current liabilities	13	69.58	20.59
Total Current Liabilities		**574.88**	**30,126.00**
TOTAL EQUITY & LIABILITIES		**2,359.27**	**55,688.00**

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Lodha and Company
Chartered Accountants
ICAI Firm's Registration No: 301051E

For and on behalf of Board of Directors of
For Piramal Investment Advisory Services Private Limited

R. P. Baradiya
Partner

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited

Bipin Singh
Director
DIN :00058068

Pralhad Kulkarni
Director
DIN :03388656

Date: May 25, 2022
Mumbai

Date: May 25, 2022
Mumbai

Piramal Investment Advisory Services Private Limited
Statement of Profit and Loss
for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

		Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME:				
	Revenue from operations	14	4,144.08	3,976.38
	Other income	15	521.49	1.74
I	**Total revenue**		**4,665.57**	**3,978.12**
EXPENSES:				
	Finance cost		2,903.47	2,875.77
	Other expenses	16	283.92	167.11
II	**Total expenses**		**3,187.39**	**3,042.88**
III	**Profit before tax (I - II)**		**1,478.18**	**935.24**
IV	**Tax expense**	31		
	- Current tax		301.49	270.67
	- Deferred tax charge / (credit)		130.65	(16.03)
	- Taxation of earlier years		(16.35)	-
	Total tax expense		**415.79**	**254.64**
V	**Profit for the year (III - IV)**		**1,062.39**	**680.60**
VI	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) income tax relating to items that will be reclassified to profit or loss		-	-
VII	**Total Comprehensive Income for the year (V+VI)**		**1,062.39**	**680.60**
	Earnings per equity share:	17		
	Basic and diluted (face value of Rs.10)		39.35	25.21

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Lodha and Company
Chartered Accountants
ICAI Firm's Registration No: 301051E

R. P. Baradiya
Partner

Date: May 25, 2022
Mumbai

For and on behalf of Board of Directors of
For Piramal Investment Advisory Services Private Limited

Bipin Singh
Director
DIN :00058068

Pralhad Kulkarni,
Director
DIN :03388656

Date: May 25, 2022
Mumbai

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited

Piramal Investment Advisory Services Private Limited
Statement of Cash Flows
for the year ended March 31, 2022

(Currency : Indian Rupees in lakhs)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash Flow From Operating Activities**		
	Profit before tax	**1,478.18**	**935.24**
	Adjustments for :		
	Expected credit loss on financial assets	231.49	63.71
	Finance cost	2,903.47	2,875.77
	Interest income	(0.15)	-
	Dividend on investments in mutual funds	(1.73)	(1.74)
	Reversal of expected credit losses	(519.11)	-
	Operating Profit Before Working Capital Changes	**4,092.16**	**3,872.98**
	Adjustments for changes in working capital :		
	Decrease / (Increase) in Trade receivables	(0.03)	108.03
	(Decrease) / Increase in Trade payables and other financial liabilities	416.08	6.59
	Decrease / (Increase) in Other current assests	(0.48)	4.68
	(Decrease) / Increase in Other current liabilities	49.00	75.60
	Cash generated from/(used in) operations	**4,556.72**	**4,067.88**
	Taxes paid	(298.82)	(344.59)
	Net cash generated from /(used in) operating activities (A)	**4,257.90**	**3,723.29**
B.	**Cash flow from investing activities**		
	Investments (made) / reedeemed (net)	25,955.35	(1,110.53)
		25,955.35	**(1,110.53)**
C.	**Cash flow from financing activities**		
	Loan taken from holding company	-	54,840.00
	Loan repaid to holding company	(54,856.19)	(24,790.00)
	Interest paid	(2,919.66)	(2,907.59)
	Net cash generated from/(used in) financing activities (C)	**(57,775.86)**	**27,142.41**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	**(27,562.62)**	**29,755.17**
	Cash and Cash Equivalents at the beginning of the year	29,767.59	12.42
	Cash and Cash Equivalents at the end of the year	**2,204.97**	**29,767.59**
	Cash and Cash Equivalents Comprise(Refer Note 7)		
	Balance with current account	**2,204.97**	**29,767.59**

As per our report of even date attached

For Lodha and Company
Chartered Accountants
ICAI Firm's Registration No: 301051E

R. P. Baradiya
Partner

Date: May 25, 2022
Mumbai

LODHA & CO. MUMBAI-01 Chartered Accountants

For and on behalf of Board of Directors of
For Piramal Investment Advisory Services Private Limited

Bipin Singh
Director
DIN :00058068

Pralhad Kulkarni
Director
DIN :03388656

Date: May 25, 2022
Mumbai

Piramal Investment Advisory Services Private Limited

Piramal Investment Advisory Services Private Limited
Statement of Changes in Equity
as at March 31, 2022

(Currency : Indian Rupees in lakhs)

A. Equity Share Capital:

Particulars	Amounts
Balance as at April 1, 2020	270.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance at April 1,2020	270.00
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**270.00**
Balance as at April 1, 2021	270.00
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the year	**270.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**270.00**

B. Other Equity:

Particulars	Surplus in Statement in Profit & Loss
Balance as at April 1, 2020	(228.60)
Changes in accounting policy or prior period errors	-
Restated balance at April 1,2020	(228.60)
Total comprehensive income for the year	680.60
Balance as at March 31, 2021	**452.00**

Particulars	Surplus in Statement in Profit & Loss
Balance as at April 1, 2021	452.00
Changes in accounting policy or prior period errors	-
Restated balance at April 1,2021	452.00
Total comprehensive income for the year	1,062.39
Balance as at March 31, 2022	**1,514.40**

As per our report of even date attached

For Lodha and Company
Chartered Accountants
ICAI Firm's Registration No: 301051E

R. P. Baradiya
Partner

Date: May 25, 2022
Mumbai

LODHA & CO. MUMBAI-01 Chartered Accountants

For and on behalf of Board of Directors of
For Piramal Investment Advisory Services Private Limited

Bipin Singh
Director
DIN :00058068

Pralhad Kulkarni
Director
DIN :03388656

Date: May 25, 2022
Mumbai

Piramal Investment Advisory Services Private Limited

Piramal Investment Advisory Services Private Limited
Notes to the financial statements for the Year ended March 31, 2022

1 BACKGROUND

Piramal Investment Advisory Services Private Limited (the 'Company') was incorporated on 13 June 2013 with an objective to provide investment advisory services in the real estate and infrastructure sector. The Company has established a contributory trust, viz. 'Piramal Infrastructure Fund' and 'Piramal Investment Opportunities Fund' (the 'Funds'), under the provisions of the Indian Trust Act, 1882. The Funds have received approval from the Securities and Exchange Board of India on 23 September 2013 to carry on the activity of a alternative investment fund under its different schemes by pooling together resources and finances from institutional and high net worth investors. The Company has been appointed as investment advisor to the Funds under an investment advisory agreement dated 25 July 2013. The Company has also entered into ancillary activities of investments.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation and presentation of financial statements

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act").
Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use."

ii) 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.

iii) 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

iv) 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

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited

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

v) **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
Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit

vi) **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, and other contractual rights to receive cash or other financial asset.

The Company applies Expected Credit Loss (ECL) model for recognition and measurement of impairment loss on the following financial assets and credit risk exposure:
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.

vii) **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

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. 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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged,

Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally

viii) **Provisions and Contingent Liabilities and Contingent Assets**

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.

Contingent assets are not recognised in the financial statements. Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. However, they are assessed continually, and if it has become virtually certain that inflow of economic benefits will arise, the asset and related income are recognized in the financial statements.

ix) **Revenue recognition**

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

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).

Sale of Services: In contracts involving the rendering of services, 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.

x) **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

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

xi) **Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the
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

xii) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-

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.

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.

2c. 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'

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.

Piramal Investment Advisory Services Private Limited

LODHA & CO. MUMBAI-01 Chartered Accountants

		As At March 31, 2022	As At March 31, 2021
3 Non Current Investments			
(a) Alternative Investment Fund			
Unquoted- FVTPL			
2.34 (Previous year 2.34) Class B units of Piramal Investment Opportunities Fund Scheme I of Rs. 1 Crore each, fully paid up	233.99		
Less: Allowance for expected credit loss	(231.49)	2.50	233.99
		2.50	**233.99**
(b) Investments in debt securities			
Unquoted - amortised cost			
Non Convertible Debentures			
NIL (Previous Year: 2,277) Non Convertible Debentures of Archean Chemical Private Limited of Rs.10,00,000 each, fully paid		-	25,955.35
Less: Allowance for expected credit losses		-	(519.11)
		-	**25,436.24**
Total Non Current Investments		**2.50**	**25,670.23**

	As At March 31, 2022	As At March 31, 2021
4 Other non-current tax assets		
Advance tax (Net of provision for tax : INR 5,53,00,266; P.Y: INR 35,751,765)	92.33	62.28
	92.33	**62.28**

	As At March 31, 2022	As At March 31, 2021
5 Current Investments		
(a) Investment in mutual funds		
Quoted - FVTPL		
HDFC Liquid Fund - Daily IDCW	53.52	51.96
	53.52	**51.96**
Total units	5,247.55	5,095.00
Aggregate book value of investments	53.52	51.96
Aggregate market value of investments	53.52	51.96

	As At March 31, 2022	As At March 31, 2021
6 Trade Receivables		
Unsecured, considered good (refer note 20)	0.95	0.91
	0.95	**0.91**

Note: 1. Ageing of Trade receivables

Particulars	As at March 31, 2022					
	less than six months	six months to one year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	0.95	-	-	-	-	0.95
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Grand total	**0.95**	-	-	-	-	**0.95**

Particulars	As at March 31, 2021					
	less than six months	six months to one year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	0.91	-	-	-	-	0.91
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Grand total	**0.91**	-	-	-	-	**0.91**

	As At March 31, 2022	As At March 31, 2021
7 Cash and cash equivalents		
Balances with banks:		
- in current account	2,204.97	29,767.59
	2,204.97	**29,767.59**
8 Other current assets		
Unsecured, considered good		
Receivable from a related party (refer note 20)	0.11	0.02
Goods and Service Tax credit receivables	4.89	4.36
	5.00	**4.38**

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited

(Currency : Indian Rupees in lakhs)

		As At March 31, 2022	As At March 31, 2021
9	**Share capital**		
	Authorised		
	20,000,000 equity shares of Rs.10/- each	**2,000.00**	**2,000.00**
	Issued, subscribed and fully paid		
	2,700,000 equity shares of Rs.10/- each	270.00	270.00
		270.00	**270.00**

Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	For the year ended			
	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
At the beginning of the year	27,00,000	270.00	27,00,000	270.00
Issued during the year	-	-	-	-
At the end of the year	**27,00,000**	**270.00**	**27,00,000**	**270.00**

Rights, preferences and restrictions attached to equity shares
The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. There are no restrictions on payments of dividends to equity shareholders.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shares held by holding company

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares of INR 10 each fully paid up held by Piramal Enterprise Limited	27,00,000	270.00	27,00,000	270.00
	27,00,000	**270.00**	**27,00,000**	**270.00**

Particulars of shareholders holding more than 5% shares of a class of shares

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares of INR 10 each fully paid up held by Piramal Enterprise Limited	27,00,000	270.00	27,00,000	270.00
	27,00,000	**270.00**	**27,00,000**	**270.00**

Details of shareholding of Promoters in the Company

	As at March 31, 2022		
	No. of shares	% of total shares	% change during the year
Piramal Enterprise Limited #	27,00,000	100%	-

	As at March 31, 2021		
	No. of shares	% of total shares	% change during the year
Piramal Enterprise Limited #	27,00,000	100%	-

Includes 10 shares of Rs. 10 each, fully paid jointly held jointly with Mr. Ajay G. Piramal & Mr. Rajesh Laddha

		As At March 31, 2022	As At March 31, 2021
10	**Reserves and surplus**		
	Surplus in the Statement of Profit and Loss		
	Opening balance	452.00	(228.60)
	Profit for the year	1,062.39	680.60
	Closing balance	**1,514.39**	**452.00**

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited

Piramal Investment Advisory Services Private Limited
Notes to the financial statements *(Continued)*
as at March 31, 2022
(Currency : Indian Rupees in lakhs)

		As At March 31, 2022	As At March 31, 2021
11	**Borrowings**		
	Non - Current		
	Loan from holding company-Unsecured	-	24,840.00
	(Coupon rate for the above loan is 11.54%, repayable on or before 31st March 2023)		
		-	**24,840.00**
	Current		
	Loan from holding company-Unsecured	-	30,016.19
	(Coupon rate for the above loan is 10.65%, repayable in 6 months)		
		-	**30,016.19**
12	**Other financial liabilities**		
	Dues to related parties (refer note 20)	483.10	-
		483.10	-
13	**Other current liabilities**		
	Statutory dues	69.58	20.59
		69.58	**20.59**

Piramal Investment Advisory Services Private Limited

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited
Notes to the financial statements *(Continued)*
for the year ended March 31, 2022
(Currency : Indian Rupees in lakhs)

		For the Year ended March 31, 2022	For the year ended March 31, 2021
14	**Revenue from operations**		
	Income from services		
	- Sub - advisory fees	3.73	3.69
	Other operating revenue		
	Interest Income on financial assets	4,140.35	3,972.69
		4,144.08	**3,976.38**
15	**Other income**		
	Interest income		
	- On Non-current investments	0.15	-
	Dividend income in investment in mutual funds	1.73	1.74
	Miscellaneous income	0.50	-
	Reversal of expected credit loss on financial assets	519.11	-
		521.49	**1.74**
16	**Other expenses**		
	Rates and taxes	0.03	76.83
	Auditor's remuneration		
	- Audit fees	1.69	1.55
	Legal and professional fees	7.61	24.95
	Expected credit loss on financial assets	231.49	63.71
	Exchange loss (net)	0.01	0.06
	Travel expenses	11.52	-
	Miscellaneous expenses	0.00	0.01
	Reversal of excess provision of earlier years	24.22	-
	CSR expenses	7.35	-
		283.92	**167.11**

Details in respect of Corporate Social Responsibility (CSR) Expenditure:
- Gross amount required to be spent during the year - Rs 7.35 Lakhs (Previous Year - Nil)
- Amount spent during the year on revenue expenditure Rs 7.35 Lakhs (Previous Year - Nil)
- Amount spent during the year on Capital expenditure - Rs Nil Lakhs (Previous Year - Nil)
- Nature of CSR activities for current year - Education sector (Aspirational District Collaborative)
- Related party contributions - Rs. Nil

Piramal Investment Advisory Services Private Limited

LODHA & CO. MUMBAI-01 Chartered Accountants

(Currency : Indian Rupees in lakhs)

17 Basic and Diluted EPS

The computation of earnings per share is set out below:

		For the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to shareholders	(A)	1,062.39	680.60
Weighted average number of equity shares outstanding during - Basic and Diluted	(B)	27,00,000	27,00,000
Earnings per share - Basic and Diluted	(A)/(B)	39.35	25.21
Face value per share (Rs.)		10	10

18 Foreign currency transaction

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income in Foreign Currency i. Sub-advisory fees	3.73	3.69

19 Segment Reporting

Since the Company's business activity falls under one business segment - "Investments and Investment advisory services " and business operations are concentrated in India, no further disclosures are required by Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act 2013 have been made.

20 Related party disclosure

Information in accordance with the requirements of Ind AS 24 on Related Party Disclosures.

A. **Controlling Company / Holding Company**
- Piramal Enterprises Limited

B. **Fellow subsidiary with whom transactions have been carried out**
- Indiareit Investment Management Company
- Piramal Investments Opportunities Fund
- Piramal Capital and Housing Finance Limited
- PHL Fininvest Private Limited

C. **Other Group Company**
- India Resurgence Asset Management Business Pvt Ltd

Details of transactions	FY 2021-22			FY 2020-21		
	Controlling Company	Fellow Subsidiary	Other Group Company	Controlling Company	Fellow Subsidiary	Other Group Company
Distribution income						
- Piramal Investments Opportunities Fund	-	0.15	-	-	-	
	-	**0.15**	-	-	-	-
Reimbursement of Expenses						
- India Resurgence Asset Management Business Pvt Ltd	-	-	16.13	-	-	-
	-	-	**16.13**	-	-	-
Sub-advisory services rendered						
- Indiareit Investment Management Company	-	3.73	-	-	3.69	-
	-	**3.73**	-	-	**3.69**	-
Sale of investments						
- PHL Fininvest Private Limited	-	25,247.00	-	-	-	-
	-	**25,247.00**	-	-	-	-
Finance received - Borrowings (Repaid)						
- Piramal Enterprises Limited	-	-	-	30,000.00	-	-
- Piramal Enterprises Limited	(30,000)	-	-	(24,790.00)	-	-
- Piramal Capital and Housing Finance Limited	-	(24,840)	-	-	24,840.00	-
	(30,000)	**(24,840)**	-	**5,210.00**	**24,840.00**	-
Interest paid						
- Piramal Enterprises Limited	44.32	-	-	195.28	-	-
- Piramal Capital and Housing Finance Limited	-	2,858.68	-	-	2,680.50	-
	44.32	**2,858.68**	-	**195.28**	**2,680.50**	-
Payable						
- Piramal Enterprises Limited	-	-	-	30,016.19	-	-
- Piramal Capital and Housing Finance Limited	-	-	-	-	24,840.00	-
- India Resurgence Asset Management Business Pvt Ltd	-	-	16.13	-	-	-
- PHL Fininvest Private Limited	-	483.10	-	-	-	-
	-	**483.10**	**16.13**	**30,016.19**	**24,840.00**	-
Receivable						
- Indiareit Investment Management Company	-	1.00	-	-	0.91	-
- Piramal Investments Opportunities Fund	-	0.11	-	-	0.02	-
	-	**1.11**	-	-	**0.94**	-

21 Contingent Liabilities And Commitments

The Company does not have any contingent liability and capital commitment as on the reporting date (Previous year: Nil)

22 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

On the basis of the information and records available with the management, accounts payable include Rs. Nil (previous year Rs. Nil) payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006.

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Investment Advisory Services Private Limited

(Currency : Indian Rupees in lakhs)

23 Covid-19 Impact

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. The Company's investment may face some head winds due to the emerging economic conditions. Based on the current indicators of future economic conditions, the Company considers the provision in financial statements to be adequate. The extent to which the COVID-19 pandemic will impact the Company's financial statements will depend on 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, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

24 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 current capital structure of the Company consists of equity.

The capital components of the Company are as given below:

	As at 31st March 2022	As at 31st March 2021
Total Equity	270.00	270.00
Borrowings	-	54,856.19
Total Debt	-	**54,856.19**
Current Investments	(53.52)	(51.96)
Cash and Cash equivalents	(2,204.97)	(29,767.59)
Net Debt	**(2,258.48)**	**25,036.64**

25 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, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

The Board of Directors monitors the quality of audit function and also monitors compliance with 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 Board of Directors ("BOD") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The BOD 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) liquidity risk, (ii) fraud risk and operational risk (iii) regulatory risk.

25.1 Fraud risk and operational risk:

The Company has an elaborate system of internal controls 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 the management and review of all the cases which are entered in the system, including corrective and remedial actions as regards people and processes.

Management 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 the Board of Directors of the company.

25.2 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.

25.3 Liquidity Risk

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 contractual maturity is based on the earliest date on which the Company may be required to pay.

a)

Maturities of Financial Liabilities		**31 March 2022**		
	Up to 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	22.20	-	-	-
Other Financial Liabilities	483.10	-	-	-
	505.30	-	-	-

b)

Maturities of Financial Liabilities		**31 March 2021**		
	Up to 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	89.22	-	-	-
Other Financial Liabilities	30,016.19	24,840.00	-	-
	30,105.42	**24,840.00**	-	-

c)

Maturities of Financial Assets		**March 31, 2022**		
	Up to 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments	53.52	2.50	-	-
Trade receivables	0.95	-	-	-
Other Financial Assets	5.00	-	-	-
Cash and Cash Equivalent	2,204.97	-	-	-
	2,264.44	**2.50**	-	-

d)

Maturities of Financial Assets		**March 31, 2021**		
	Up to 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments	51.96	25,670.23	-	-
Trade receivables	0.91	-	-	-
Other Financial Assets	4.38	-	-	-
Cash and Cash Equivalent	29,767.59	-	-	-
	29,824.84	**25,670.23**	-	-

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Piramal Investment Advisory Services Private Limited

Piramal Investment Advisory Services Private Limited
Notes to the financial statements *(Continued)*
for the year ended 31 March 2022
(Currency : Indian Rupees in lakhs)

26 Fair Value Disclosures

a)

Categories of Financial Instruments:	31 March 2022 FVTPL	31 March 2022 Amortised Cost	31 March 2021 FVTPL	31 March 2021 Amortised Cost
Financial Assets				
Investments	53.52	2.50	51.96	25,670.23
Trade receivables #	-	0.95	-	0.91
Cash & bank balances #	-	2,204.97	-	29,767.59
	53.52	**2,208.41**	**51.96**	**55,438.73**
Financial liabilities				
Trade payables #	-	22.20	-	89.22
Other financial liabilities #	-	483.10	-	54,856.19
	-	**505.30**	-	**54,945.42**

b)

31 March 2022

Fair Value Hierarchy and Method of Valuation

Financial Instruments	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Investments in Mutual Funds	i	53.52	53.52	-	-	53.52
Investments in AIF	i	2.50	2.50			2.50

c)

31 March 2021

Fair Value Hierarchy and Method of Valuation

Financial Instruments	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Investments in Mutual Funds	i	51.96	51.96	-	-	51.96
Investments in AIF	i	233.99	233.99	-	-	233.99

Notes:

i Market Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

\# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables, trade receivables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

27 Market Risk

a) **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and investments), including deposits with financial institutions and other financial instruments.

Reconciliation of loss allowance

Particulars	March 31, 2022	March 31, 2021
Opening balance	519.11	455.40
Add: Provision during the year	231.49	63.71
Less: Reversal of provisions during the year	(519.11)	-
Closing balance	**231.49**	**519.11**

b) **Trade receivables**

The receivables of the Company are from advisory services funds. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

c) **Financial instruments and cash deposits**

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.

28 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risks. Legal risk includes, but is not limited to, exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as private settlements. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. Operational risk is sought to be mitigated by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking regular contingency planning.

29 (a) Ageing schedule of trade payables

Particulars	As at March 31, 2022 — Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	22.17	0.03	(0.03)	89.26	22.20
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

Particulars	As at March 31, 2021 — Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	82.57	6.66	-	-	89.22
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

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Piramal Investment Advisory Services Private Limited

(Currency : Indian Rupees in lakhs)

30 Analytical Ratios

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	variance (%)	Reason for variance
Current ratio	Current Assets	Current Liabilities	394%	99%	298%	Repayments of debts during the current year
Debt-equity ratio	Total Debt	Shareholder's Equity	0%	20317%	-100%	Repayments of debts during the current year
Debt service coverage ratio	Earnings available for debt service	Debt Service	151%	133%	14%	
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	393%	252%	56%	Increase in non-operating income on account of reversal of ECL during the current year as compared to
Inventory turnover ratio	N.A	N.A	N.A	N.A	N.A	
Trade receivables turnover ratio (in days)	Net Credit Sales	Average Accounts Receivable	4.01	0.07	N.A	Decrease in average debtors in current year as compared to previous year
Trade payables turnover ratio (in days)	N.A	N.A	N.A	N.A	N.A	
Net capital turnover ratio	N.A	N.A	N.A	N.A	N.A	
Net profit margin (%)	Net Profit after tax	Net Sales	26%	17%	50%	Reversal of Expected credit loss allowance during the year
Return on capital employed	Earning before interest and taxes	Capital Employed	246%	7%	3481%	Reversal of Expected credit loss allowance during the year
Return on investment	Interest income	Closing investments	1769%	15%	11565%	Sale of investments during the year.

31 Income Taxes

	Year ended March 31, 2022	Year ended March 31, 2021
a. Recognised in Profit or Loss		
Current Tax		
In respect of the current year	301.49	270.67
Deferred Tax		
In respect of the current year	130.65	(16.03)
Taxation of earlier years	(16.35)	-
Total	**415.79**	**254.64**

b. The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	Amount		Effective tax rate reconciliation	
Profit before tax	1,478.18	935.24		
Income tax expense calculated at 25.17% (Previous year at 25.17%), enacted adopted rate by the Company	372.06	235.40	25.17%	25.17%
Adjustments:				
Corporate social responsibility expenses	1.85	-	0.13%	0.00%
Expenses not allowable in Income tax	-	19.23	0.00%	2.06%
Tax in respect of earlier years	16.35	-	1.11%	0.00%
Income tax expense recognised in profit or loss	**390.26**	**254.63**	**26.40%**	**27.23%**
Effective tax rate	**26.40%**	**27.23%**		

32 There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

33 No proceeding has been initiated during the year or pending against the Company for holding any Benami property under

34 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

35 During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.

36 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

37 (i) 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.

(ii) 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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Piramal Investment Advisory Services Private Limited

(Currency : Indian Rupees in lakhs)

38 **Reconciliation of borrowings**

Particulars	March 31, 2022	March 31, 2021
Opening balance	54,856.19	24,836.89
Add:		
Loans taken during the year	-	54,840.00
Interest Expenses during the Year	2,903.47	2,875.77
Less:		
Loans repaid during the year	(54,856.19)	(24,790.00)
Interest Paid During the year	(2,903.47)	(2,906.47)
Closing balance	-	**54,856.19**

39 The figures of the previous year have been regrouped / reclassified wherever necessary, to conform with the current year figures.

For and on behalf of Board of Directors of
Piramal Investment Advisory Services Private Limited

Bipin Singh
Director
DIN :00058068

Pralhad Kulkarni
Director
DIN :03388656

Date: May 25, 2022
Mumbai

Piramal Investment Advisory Services Private Limited

LODHA & CO.
MUMBAI-01
Chartered Accountants

PIRAMAL INTERNATIONAL

MANAGEMENTS ACCOUNTS

FOR THE PERIOD 01 APRIL 2021 TO 05 JANUARY 2022

PIRAMAL INTERNATIONAL

STATEMENT OF FINANCIAL POSITION AT 05 JANUARY 2022

	05-Jan-22	2021
	INR	INR
ASSETS		
Total assets	-	-
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	3,67,91,443	3,67,91,443
Revenue deficit	(4,88,08,246)	(4,88,08,246)
Translation reserve	1,20,16,803	1,20,16,803
	-	-
Total equity and liabilities	-	-

PIRAMAL INTERNATIONAL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 01 APRIL 2021 TO 05 JANUARY 2022

	05-Jan-22	2021
	INR	INR
Income		
Other income	12,77,344	7,69,240
Expenses		
Administration fees	7,52,012	5,98,992
Liquidator Fees	3,42,530	-
Licence fees	1,82,801	1,70,248
	12,77,344	7,69,240
Loss before taxation	-	-
Taxation	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss for the year	-	-

Ashraf Ramtoola

Savinilorna Payandi Pillay Ramen

K. Jijina

Khushru Burjor Jijina

PIRAMAL INTERNATIONAL

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 01 APRIL 2021 TO 05 JANUARY 2022

	Stated capital	Revenue deficit	Translation reserve	Total
	INR	INR	INR	INR
At 1 April 2020	3,67,91,443	(4,88,08,246)	1,20,16,803	-
Total comprehensive loss for the year	-	-	-	-
At 31 March 2021	3,67,91,443	(4,88,08,246)	1,20,16,803	-
At 1 April 2021	3,67,91,443	(4,88,08,246)	1,20,16,803	-
Total comprehensive loss for the year	-	-	-	-
At 05 January 2022	3,67,91,443	(4,88,08,246)	1,20,16,803	-

The notes on pages 11 to 15 form an integral part of these financial statements.

PIRAMAL INTERNATIONAL

Statement of Affairs of Bright Dawn Investments (the "Company") in accordance with Section 139 (2) of the Insolvency Act 2009 as at 05 January 2022

	INR NET BOOK VALUE	INR EXPECTED NET REALISABLE VALUE
ASSETS		
Total assets	0	0
Total amount expected to be realised		**0**
LIABILITIES AND EXPECTED WINDING UP EXPENSES		
Total liabilities	0	**0**
Estimated Surplus	**0**	**0**

The statement of affairs has been approved by the Board of Directors on 24 December 2021

Ashraf Ramtoola

Savinilorna Ramen Payandi-Pillay

Trial balance at as 05 January 2022

	At 01 April 2021		Movements for the year ended 05 January 2022 Journal entries		Bank movements		At 05 January 2022	
	INR	INR	INR	INR	INR	INR	INR	INR
Assets	-	0					-	-
Share capital		(3,67,91,443)						(3,67,91,443)
Revenue deficit	4,88,08,246						4,88,08,246	
Translation reserves		(1,20,16,803)						(1,20,16,803)
Other income		(7,69,240)		(12,77,344)				(12,77,344)
Licence fees	1,70,248		1,82,801				1,82,801	
Administration fees	443772		6,77,162				6,77,162	
Accounting fees	155220		74,850				74,850	
Liquidator Fees	0		3,42,530				3,42,530	
	4,95,77,486	(4,95,77,486)	12,77,344	(12,77,344)	-	-	5,00,85,590	(5,00,85,590)

- - -

PIRAMAL INTERNATIONAL
FOR THE PERIOD 01 APRIL 2021 TO 05 JANUARY 2022

1.	**Licence fees**	**1,82,801**	
	Shareholders' loan		**1,82,801**
	Being expenses borne by shareholder		
2	**Administrative fees**	**6,77,162**	
	Shareholders' loan		**6,77,162**
	Being expenses borne by shareholder		
3	**Accounting fees**	**74,850**	
	Shareholders' loan		**74,850**
	Being expenses borne by shareholder		
4	**Liquidator Fees**	**3,42,530**	
	Shareholders' loan		**3,42,530**
	Being expenses borne by shareholder		
5	**Shareholders' loan**	**12,77,344**	
	Expenses waived		**12,77,344**
	Being waiver of expenses		
		25,54,688	**25,54,688**

PIRAMAL INTERNATIONAL
FOR THE PERIOD 01 APRIL 2021 TO 05 JANUARY 2022

Workings:

	USD	Rate	INR	settled on
Invoice CCS10068477				
Admin fees	2,100	73.64	1,54,644	27-Sep-21
Invoice CS10067375				
Accounting fees	1,000	74.85	74,850	11-Oct-21
Invoice C000000090				
Licence fees	195	74.85	14,596	11-Oct-21
Invoice CCS10067441				
Licence fees	1,950	74.36	1,45,002	02-Jul-21
Invoice CCS10067766				
Admin fees	3,000	74.85	2,24,550	
Licence fees	310	74.85	23,204	
Admin fees	300	74.85	22,455	
	3,610	74.85	2,70,209	11-Oct-21
Invoices				
Liquidator Fees	4,600	74.46	3,42,530	paid
Admin Fees IQ EQ Corporate	3,500	74.46	2,60,621	paid
Fees due to IQ EQ	200	74.46	14,893	paid
	8,300	74.46	6,18,044	
			12,77,344	

ORFA AUDIT SA
Expert-réviseur agréé ASR

Succursale de Genève
Membre d'EXPERTsuisse

114, Rue du Rhône
Case Postale 3174
1211 Genève 3
tél : 022.787.07.73

www.orfa.ch

Report of the auditors
to the General Meeting of

Piramal Holding (Suisse) SA
G e n e v a - Switzerland

Annual Financial Statement as of
December 31st, 2021

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of your company for the annual period from January 1st, to December 31st, 2021.

These financial statements are the responsibility of the Board of Director. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

We draw your attention to the fact that half of the share capital and statutory reserves is no longer covered (Article 725 paragraph 1 CO).

Geneva, June 15th 2022

ORFA Audit SA, Geneva Branch

Philippe Tardin	Massimo Cipriano
Auditor in charge	Auditor
Licensed Audit Expert	Licensed Audit Expert
No ASR 107 346	No ASR 108 618

Enclosures :

- Annual Financial Statements including the income statement, the balance sheet and the attachment.

PIRAMAL HOLDINGS (SUISSE) SA, Geneva, Switzerland

ANNUAL FINANCIAL STATEMENT AS OF DECEMBER 2021

Swiss francs

	As on 31.12.2021 CHF	As on 31.12.2020 CHF
ASSETS		
Current Assets		
Cash	40'945	11'190
Prepayments and accrued income, interest	18'656	13'664
Fixed assets		
Loan to Group	3'838'948	3'827'627
Total ASSETS	**3'898'549**	**3'852'481**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Short Term Liabilities		
Accrued expenses	0	1'576'513
Trade Payables	13'579	18'704
Shareholder's equity		
Share Capital	195'171'431	195'171'431
Result brought forward	(192'914'167)	(193'367'292)
Result of the period	1'627'706	453'125
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**3'898'549**	**3'852'481**

PIRAMAL HOLDINGS(SUSSE)SA

Director

PIRAMAL HOLDINGS (SUISSE) SA, Geneva, Switzerland

ANNUAL FINANCIAL STATEMENT AS OF DECEMBER 2021
Swiss francs

PROFIT AND LOSS ACCOUNT

REVENUE	31.12.2021 CHF	31.12.2020 CHF
Interest income	4'684	125'013
Provision no longer required written back	1'595'252	0
Other Income	85'276	59'718
Dissolution of provision for unrealised exchange gain		(1)
TOTAL REVENUE	**1'685'212**	**184'731**
EXPENSES		
Directors fees	17'169	17'831
Professional fees	124'311	105'654
Miscellaneous Expenses	1'364	0
Rates & taxes	0	123,870
Financial expenses	4'585	4'270
Unrealised exchange Gain/Loss	(92,707)	249'144
TOTAL EXPENSES	**54'722**	**500'769**
Profit / Loss of the period before taxes	1'630'490	(316'038)
Provision for taxes for the period	(2'784)	769163
Operating result	1'627'706	453'125
Result of the period	**1'627'706**	**453'125**

PIRAMAL HOLDINGS(SUSSE)SA

Director

ANNUAL FINANCIAL STATEMENT AS OF DECEMBER 2021
Swiss francs

NOTES TO THE FINANCIAL STATEMENTS

A. Incorporation and activity of the company

According to its memorandum of Incorporation, the Company's objects are as follows:

To hold and manage principally, in Switzerland, interests of any type whatsoever, in pharmaceutical, commercial, financial and industrial enterprises;

To carry on the financial management of the company and to enter into credit operations with or without security;

To do all such things as are, directly or indirectly, incidental or conducive to the above objects or is likely to advance the interests of the company.

The financial year covers the period from January 1st to until December 31st, 2021.

B. Summary of significant accounting policies

1) Accounting Principles

The Company follows accounting principles as per Swiss Obligation Code

2) Accounting for income and expenditure

Income and expenditure are accounted for an accrual basis, irrespective of when payments are received or made

3) Foreign currency translation

The accounting records are kept in Swiss francs. Transactions denominated in currencies other than Swiss francs are translated into Swiss francs at the exchange rates ruling at the date of the transactions.

At the closure of the balance sheet, short-term assets, this means bank accounts, which are express in another currency than the Swiss francs, are converted at the end of the year exchange rate.

The long term assets and liabilities have also been translated into Swiss francs at the yearend exchange rates. A provision for the net unrealised Exchange Gain has been created in the accounts.

PIRAMAL HOLDINGS(SUSSE)SA

Director

ANNUAL FINANCIAL STATEMENT AS OF DECEMBER 2021
Swiss francs

4) Investments, loans to subsidiaries and to group companies

The Company has carried out impairment tests and has concluded that no adjustments on these positions are required.

C. **Shareholders'equity**

Share Capital

The share capital is divided into 21'000 type A registered shares with a nominal value of CHF 1'000.00 each and 174,171,431 type B registered shares with a nominal value of CHF 1. All share are fully issued and paid up.

D. **Consolidation**

As Piramal Holdings (Suisse) SA (PHSA) is a 100% subsidiary of Piramal Group, India, group account of PHSA are not prepared as group consolidated accounts are available.

E. Equivalent employment Annual Average – There are no employees in the company.

PIRAMAL HOLDINGS (SUSSE)SA

Director

http://rc.ge.ch

Extrait sans radiations

EXTRAIT INTERNET

No réf. 14339/2005
N° féd. CH-660.2.552.005-1
IDE **CHE-112.649.455**

Piramal Holdings (Suisse) SA

inscrite le 25 novembre 2005
Société anonyme

Réf.	**Raison Sociale**
5	Piramal Holdings (Suisse) SA (Piramal Holdings (Schweiz) AG) (Piramal Holdings (Switzerland) Ltd)
	Siège
1	Genève
	Adresse
7	rue des Pierres-du-Niton 17, 1207 Genève
	Dates des Statuts
16	22.11.2018
	But, Observations
1	But: principalement en Suisse, prise et gestion de participations à toutes entreprises pharmaceutiques, commerciales, financières, industrielles; possibilité de se livrer à toutes opérations financières d'administration et de crédit, avec ou sans garantie.
12	L'identification sous le numéro CH-660-2552005-1 est remplacée par le numéro d'identification des entreprises (IDE/UID) CHE-112.649.455.
	Organe de publication
1	Feuille Officielle Suisse du Commerce
8	Communication aux actionnaires: par écrit, par fax ou par courriel

Réf.	**Capital-actions**		
	Nominal	**Libéré**	**Actions**
16	CHF 195'171'431	CHF 195'171'431	21'000 actions de CHF 1'000, et 174'171'431 actions de CHF 1, nominatives, liées selon statuts (augmentation ordinaire)
	Apports en nature, reprises de biens, avantages particuliers		
16	Compensation de créances: CHF 174'171'431, en échange de 174'171'431 actions de CHF 1.		

Réf.			**Administration, organe de révision et personnes ayant qualité pour signer**		
Inscr	Mod	Rad.	**Nom et Prénoms, Origine, Domicile**	**Fonctions**	**Mode Signature**
	15		**Upadhyay** Kaushikkumar, d'Inde, à Londres, GB	adm. président	signature individuelle
6			**Pouponnot** Philippe, de Lancy, à Meinier	adm. vice-président	signature individuelle
13			**Vivek** Valsaraj, d'Inde, à Maharashtra, IND	adm.	signature individuelle
13			**Bouëdec** Rebecca, de Vernier, à Genève	sec. hors cons.	sans signature
10			**ORFA Audit SA, succursale de Genève** (CH-660-1713006-5), à Genève	organe de révision	

Réf.	JOURNAL		PUBLICATION FOSC		Réf.	JOURNAL		PUBLICATION FOSC	
	Numéro	**Date**	**Date**	**Page/Id**		**Numéro**	**Date**	**Date**	**Page/Id**
1	14339	25.11.2005	01.12.2005	6/3129608	2	201	04.01.2006	10.01.2006	10/3186212

Réf.	JOURNAL		PUBLICATION FOSC		Réf.	JOURNAL		PUBLICATION FOSC	
	Numéro	**Date**	**Date**	**Page/Id**		**Numéro**	**Date**	**Date**	**Page/Id**
3	798	17.01.2006	23.01.2006	7/3207006	4	1958	09.02.2006	15.02.2006	8/3244904
5	10305	08.08.2008	14.08.2008	7/4612478	6	8201	13.05.2011	18.05.2011	6167832
7	19149	01.12.2011	06.12.2011	6446234	8	6382	20.04.2012	25.04.2012	6651758
9	6581	25.04.2012	30.04.2012	6658010	10	1240	18.01.2013	23.01.2013	7028988
11	21217	16.12.2013	19.12.2013	1247513	12		Complément	19.12.2013	7225832
13	8703	20.05.2016	25.05.2016	2851443	14	20450	17.11.2017	22.11.2017	3885835
15	21888	08.12.2017	13.12.2017	3928601	16	22173	28.11.2018	03.12.2018	1004511229

Genève, le 15 juin 2022

Fin de l'extrait

Seul un extrait certifié conforme, signé et muni du sceau du registre, a une valeur légale.

Piramal Pharma Inc.

Financial Statements

December 31, 2021 and December 31, 2020

KNAV P.A.

Certified Public Accountants

One Lakeside Commons, Suite 850

990 Hammond Drive NE, Atlanta, GA 30328

CPA[SM]

America Counts on CPAs

TABLE OF CONTENTS

Independent Auditor's Report

To the Board of Directors
Piramal Pharma Inc.

Opinion
We have audited the accompanying financial statements of Piramal Pharma Inc. (the "Company"), which comprise of the balance sheets as of December 31, 2021, and December 31, 2020, the related statements of loss, stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of December 31, 2021 and December 31, 2020, and the results of its operations and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 03, 2022

Financial Statements

Balance sheets

(All amounts are stated in United States Dollars, unless otherwise stated)	As at December 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	391	1,467,929
Accounts receivable, related parties	4,782,715	4,782,715
Other receivable, related party	48,579	48,579
Loan to related party	3,060,000	2,000,000
Other current assets	392,739	381,511
Total current assets	**8,284,424**	**8,680,734**
Equipment, net	-	3,633
Total assets	**8,284,424**	**8,684,367**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable, related party	-	21,049
Other payable, related party	-	87,465
Other current liabilities	428,630	342,305
Short-term borrowings, related party	2,621,196	2,621,196
Total current liabilities	**3,049,826**	**3,072,015**
Long term borrowings, related party	3,401,126	3,734,581
Total liabilities	**6,450,952**	**6,806,596**
Stockholder's equity		
Common stock	7,100,000	7,100,000
($ 1000 par value, authorized 8,000 shares, issued and outstanding 7,100 shares)		
Additional paid in capital	1,261,425	1,256,671
Accumulated deficit	(6,527,953)	(6,478,900)
Total stockholder's equity	**1,833,472**	**1,877,771**
Total liabilities and stockholder's equity	**8,284,424**	**8,684,367**

(The accompanying notes are an integral part of these financial statements)

Statements of loss

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Operating revenues	-	1,511,324
Total revenues	**-**	**1,511,324**
Selling, general and administrative	1,592	1,444,718
Depreciation and amortization	3,633	31,904
Total cost and expenses	**5,225**	**1,476,622**
Operating (loss) income	**(5,225)**	**34,702**
Other income (expenses)		
Foreign exchange loss	-	(3,182)
Interest expense	(201,247)	(230,848)
Interest income	119,389	100,274
Other income	40,903	11,988
Loss before taxes	**(46,180)**	**(87,066)**
Current tax expense	(2,873)	(3,440)
Net loss	**(49,053)**	**(90,506)**

(The accompanying notes are an integral part of these financial statements)

Statements of stockholder's equity

(All amounts in stated United States Dollars, unless otherwise stated)

Particulars	Common stock				Additional paid in capital	Accumulated deficit	Total stockholder's equity
	Authorized		Isuued and Outstanding				
	Shares	Value ($)	Shares	Value ($)			
Balance as at January 1, 2020	**8,000**	**8,000,000**	**7,100**	**7,100,000**	**1,250,505**	**(6,388,394)**	**1,962,111**
Provision for taxation transferred to parent (*Refer Note L*)	-	-	-	-	6,166	-	**6,166**
Net loss	-	-	-	-	-	(90,506)	**(90,506)**
Balance as at December 31, 2020	**8,000**	**8,000,000**	**7,100**	**7,100,000**	**1,256,671**	**(6,478,900)**	**1,877,771**
Balance as at January 1, 2021	**8,000**	**8,000,000**	**7,100**	**7,100,000**	**1,256,671**	**(6,478,900)**	**1,877,771**
Provision for taxation transferred to parent (*Refer Note L*)	-	-	-	-	4,754	-	**4,754**
Net loss	-	-	-	-	-	(49,053)	**(49,053)**
Balance as at December 31, 2021	**8,000**	**8,000,000**	**7,100**	**7,100,000**	**1,261,425**	**(6,527,953)**	**1,833,472**

(The accompanying notes are integral part of these financial statements)

Statements of cash flows

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	December 31, 2021	December 31, 2020
Cash flows from operating activities		
Net loss	(49,053)	(90,506)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,633	31,904
Current tax allocation transferred to parent company	4,754	6,166
Changes in net operating assets and liabilities		
Accounts receivable, related parties	-	5,776,386
Other current assets	(11,228)	(66,195)
Other payable, related party	(87,465)	2,550
Other current liabilities	86,325	(3,218,051)
Accounts payable	(21,049)	(46,385)
Net cash (used in) provided by operating activities	**(74,083)**	**2,395,869**
Cash flow from investing activities		
Loan given to related party	(1,060,000)	-
Net cash used in investing activities	**(1,060,000)**	**-**
Cash flows from financing activities		
Proceeds from long term borrowings	101,464	-
Repayment of long term borrowings	(434,919)	(3,316,701)
Net cash used in financing activities	**(333,455)**	**(3,316,701)**
Net decrease in cash and cash equivalents	**(1,467,538)**	**(920,832)**
Cash and cash equivalents at the beginning of the year	1,467,929	2,388,761
Cash and cash equivalents at the end of the year	**391**	**1,467,929**
Supplementary cash flow information		
Interest paid	65,711	83,436
Income taxes paid	275	300

(The accompanying notes are an integral part of these financial statement)

Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

Piramal Pharma Inc. ("Piramal Pharma" or "the Company"), a company incorporated in Delaware, is a wholly owned subsidiary of Piramal Healthcare Inc.

Piramal Pharma Inc. used to provide sales support and marketing services to Piramal Enterprises Limited ('the ultimate parent company'), its affiliate companies and others. The company is non-operating for the year ended December 31, 2021.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles in the United States. The significant accounting policies are detailed below:

1 *Basis of preparation*

a) The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company.

b) The financial statements are for the years January 01, 2021 to December 31, 2021 and January 01, 2020 to December 31, 2020. All amounts are stated in US Dollars, unless specified otherwise.

c) Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's equity.

2 *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets, determination of useful lives for tangible assets, allowance for doubtful debts and accruals at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision in accounting estimates are recognized prospectively in the current and future periods.

3 *Cash and cash equivalents*

Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 for each insured bank for each account per depositor.

4 *Revenue recognition*

The Company provides sales support and marketing services to the ultimate parent company, its affiliates, and others. The Company determines the standalone prices using the expected cost-plus a margin approach. Cost includes employee related costs and other specific direct costs. Margin is computed using data related to historical margins and prevalent market conditions. Revenues from marketing services are recognized over a period of time as the services are performed.

5 *Foreign currency transactions*

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or average rate approximately to the rate on the transaction date. Exchange differences on foreign exchange transactions settled during the year are recognized in the statements of loss

6 *Income taxes*

In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized

7 *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable - related parties, other receivable- related party, accounts payable, accrued liabilities, loan to related party, short -term and long-term borrowings. The estimated fair value of cash, accounts receivable - related parties, other receivable- related party, accounts payable, accrued liabilities and borrowings approximate their carrying amounts of these instruments. None of these instruments are held for trading purposes.

8 *Equipment*

Equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of the assets using the straight-line method. When assets are retired or otherwise disposed of, the cost of the asset and related depreciation are eliminated from the financial records. Any gain or loss on disposition is credited or charged to the statements of loss.

The estimated useful lives of assets are as follows:

Computers	6 years
Furniture and fixtures	15 years

9 *Intangible assets*

Intangible assets are stated at cost less accumulated amortization. The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required. The estimated useful lives of the amortizable intangible assets are as follows:

Softwares	6 years

10 *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

11 *Allowance for doubtful debts*

The Company follows specific identification method for recognizing bad debts. Management analyses accounts receivable and the composition of the accounts receivable aging, historical bad debts, current economic trends, and customer credit worthiness when evaluating the adequacy of the provision for doubtful accounts

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NOTE C - ACCOUNTS RECEIVABLE, RELATED PARTIES

Accounts receivable from related parties includes the following

	As at	
	December 31, 2021	**December 31, 2020**
Piramal Enterprises Limited *(Refer note M)*	30,034	30,034
Piramal Healthcare UK Limited *(Refer note M)*	3,451,928	3,451,928
Piramal Pharma Solutions Inc. *(Refer note M)*	1,300,753	1,300,753
Total	**4,782,715**	**4,782,715**

NOTE D - OTHER RECEIVABLE, RELATED PARTY

Other receivable from related parties includes the following

	As at	
	December 31, 2021	**December 31, 2020**
Receivable from Piramal Pharma Solutions Inc. *(Refer note M)*	48,579	48,579
Total	**48,579**	**48,579**

Piramal Pharma Solutions Inc. ("PPSI")

The Company had incurred travelling and miscellaneous expenses on behalf of PPSI. The balance due is receivable as on December 31, 2021 and 2020.

NOTE E - LOAN TO RELATED PARTY

Loans to related party includes the following:

	As at	
	December 31, 2021	**December 31, 2020**
Loan to PEL Pharma Inc. *(Refer note M)*	3,060,000	2,000,000
Total	**3,060,000**	**2,000,000**

Loan to PEL Pharma Inc.

The Company advanced a loan to PEL Pharma Inc. amounting to $ 2,000,000 on June 20, 2018. A further loan of $ 1,060,000 was advanced during the year ended December 31, 2021. The loan outstanding as at December 31, 2021 and 2020 is $ 3,060,000 and $ 2,000,000 respectively. The interest rate as on December 31, 2021 and 2020 was 5 % per annum. The interest income for the year ended December 31, 2021 is $ 119,389 (December 31, 2020 is $ 100,274). The loan is repayable on demand.

NOTE F - OTHER CURRENT ASSETS

	As at	
	December 31, 2021	**December 31, 2020**
Prepaid expenses	-	120,120
Interest receivable from PEL Pharma (*Refer Note M)*	373,087	253,698
Advance to creditors	13,347	4,089
Advance to creditors, related party *(Refer Note M)*	2,701	-
Advance taxes paid	3,604	3,604
Total	**392,739**	**381,511**

NOTE G - EQUIPMENT, NET

Equipment, net include the following:

	As at	
	December 31, 2021	December 31, 2020
Computers	94,247	94,247
Furniture	14,913	14,913
Less: Accumulated Depreciation	(109,160)	(105,527)
Equipment, Net	**-**	**3,633**

Depreciation expense for the year ended December 31, 2021 was $ 3,633 (December 31, 2020: $ 4,788).

NOTE H- INTANGIBLE ASSET, NET

Intangible asset comprises of the following:

	As at	
	December 31, 2021	December 31, 2020
Software	246,014	246,014
Less: Accumulated amortization	(246,014)	(246,014)
Intangible asset, net	**-**	**-**

Amortization for the year ended December 31, 2021 was $ Nil (December 31, 2020: $ 27,116).

NOTE I- OTHER CURRENT LIABILITIES

Other current liabilities include the following:	As at	
	December 31, 2021	December 31, 2020
Accrued expenses	11,445	60,577
Interest payable, related party *(Refer note M)*	417,185	281,728
Total	**428,630**	**342,305**

NOTE J - SHORT TERM BORROWING, RELATED PARTY

Short-term borrowing, related party includes the following:	As at	
	December 31, 2021	December 31, 2020
Loan from Piramal Healthcare Canada Limited *(Refer note M)*	2,621,196	2,621,196
Total	**2,621,196**	**2,621,196**

Piramal Healthcare Canada Limited

The Company had a balance outstanding of $ 2,621,196 as at December 31, 2021 and December 31, 2020. The interest rate on the given loan is 5% p.a. Interest expense accrued and payable as on December 31, 2021 is $381,468 (December 31, 2020 is $ 250,488). Interest expense for the year ended December 31, 2021 is $ 131,060 (December 31, 2020 is $ 130,367). The loan is repayable on demand.

NOTE K - LONG TERM BORROWING, RELATED PARTY

Long term borrowing, related party includes the following:

	As at	
	December 31, 2021	December 31, 2020
Loan from Piramal Healthcare Inc. *(Refer note M)*	3,401,126	3,734,581
Total	**3,401,126**	**3,734,581**

Loan from Piramal Healthcare Inc.

During the year 2018, the Company had taken a loan of $ 14,043,786 from Piramal Healthcare Inc. During the year ended December 31, 2019, the Company borrowed an additional amount of $ 1,100,000. The Company also converted an amount of $ 7,000,000 into common stock and repaid an amount of $ 1,092,504. During the year ended December 31, 2020, the Company repaid an amount of $ 3,316,701. During the year ended December 31, 2021, the Company availed an additional loan of $ 101,464 , and repaid $434,919. Interest rate as on December 31, 2021 and December 31, 2020 is 2% (w.e.f. January 1, 2020). Interest payable as on December 31, 2021 is $ 35,717 (December 31, 2020 is $ 31,240). Interest expense for the year ended December 31, 2021 is $ 70,188 (December 31, 2020 is $ 100,481).

NOTE L- INCOME TAXES

On January 1, 2013, the Company became a member of Piramal Healthcare Inc. consolidated federal tax group. Accordingly, the Company files a federal tax return as a member of PHI consolidated group for the year ended December 31, 2021 and 2020.

The Company files combined state tax returns with affiliated companies in certain states while in certain states, the Company files the tax returns on a separate entity basis.

	Year ended	
	December 31, 2021	**December 31, 2020**
Current taxes		
State	2,873	3,440
Total	**2,873**	**3,440**

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes are as follows:

	Year ended	
	December 31, 2021	**December 31, 2020**
Income tax at federal rate	(19,564)	(17,705)
State tax, net of federal effect	20,751	6,133
Franchise tax	(2,156)	(2,751)
Return to provision	367	(393)
Change in valuation allowance	3,475	18,156
	2,873	**3,440**

	As at	
	December 31, 2021	**December 31, 2020**
Non-current deferred tax assets		
Accrued interest - Piramal Healthcare Canada Limited	90,986	62,310
Net operating losses	1,576,822	1,602,712
Total deferred tax assets	**1,667,808**	**1,665,022**
Non-current deferred tax liabilities		
Equipment	115	(573)
Total deferred tax liabilities	**115**	**(573)**
Net deferred taxes	1,667,923	1,664,448
Less: Valuation allowance	(1,667,923)	(1,664,448)
Net deferred taxes after valuation allowance	-	-

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Management believes that negative evidence outweighs the positive evidence and thus it is more likely than not that the benefit from deferred tax assets (including deferred tax asset on net operating losses) may not be realized in foreseeable future. In recognition of this risk, a valuation allowance of $ 1,667,923 and $ 1,664,448 has been created as at December 31, 2021 and December 31, 2020.

As at December 31, 2021, the Company has federal net operating loss carryforwards of approximately $7,446,738 which will be carried forward indefinitely. The Company has state net operating loss carryforwards of approximately $ 1,104,745 as on December 31, 2021, which if unutilized will expire based on the respective state statutes.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Interest and penalties, if incurred, are recognized in the statements of loss. The Company has no unrecognized tax positions at December 31, 2021 and December 31, 2020.

The tax years from 2018 through 2020 remain subject to examination by the taxing authorities.

NOTE M- RELATED PARTY TRANSACTIONS

The Company has entered into transactions with the following related parties –

1. Piramal Enterprises Limited (ultimate parent company)
2. Piramal Healthcare Inc. (parent company)
3. Piramal Critical Care Inc. (affiliate company)
4. Piramal Healthcare Canada Limited (affiliate company)
5. Piramal Healthcare UK Limited (affiliate company)
6. Piramal Pharma Solutions Inc. (affiliate company)
7. Ash Stevens LLC (affiliate company)
8. PEL Pharma Inc. (affiliate company)
9. DRG Holdco Inc. (affiliate company)

The balance payable/receivable and transactions during the year ended December 31, 2021 and 2020 are as follows:

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	As at December 31, 2021	As at December 31, 2020
Piramal Enterprises Limited		
a) Balances as at year end		
Accounts receivable	30,034	30,034
b) Transactions during the year		
Sale of services	-	1,322,046
Piramal Healthcare Inc.		
a) Balances as at year end		
Loan payable	3,401,126	3,734,581
Interest payable	35,717	31,240
b) Transactions during the year		
Interest expense	70,187	100,481
Piramal Critical Care Inc.		
a) Balances as at year end		
Other payables	-	87,465
Piramal Healthcare Canada Limited		
a) Balances as at year end		
Loan payable	2,621,196	2,621,196
Interest payable	381,468	250,488
b) Transactions during the year		
Interest expense	131,060	130,367
Sale of services	-	75,660
Piramal Healthcare UK Limited		
a) Balances as at year end		
Accounts receivable	3,451,928	3,451,928
b) Transactions during the year		
Sale of services	-	327,805
Piramal Pharma Solutions Inc.		
a) Balances as at year end		
Accounts receivable	1,300,753	1,300,753
Other receivables	48,579	48,579
b) Transactions during the year		
Sale of services	-	30,082

Ash Stevens LLC

a) Balances as at year end		
Accounts payable	-	21,049
Advance to creditors, related party	2,701	-
b) Transactions during the year		
Sale of services	-	73,731

DRG Holdco Inc

a) Transactions during the year		
Reimbursement of expenses	-	318,000

PEL Pharma, Inc.

a) Balances as at year end		
Loan receivable	3,060,000	2,000,000
Interest receivable	373,087	253,698
b) Transactions during the year		
Interest income	119,389	100,274

NOTE N - EMPLOYEE BENEFIT PLAN

The Company set up a 401(k)-retirement plan (the Plan) for its employees, effective January 1, 2006. Employees become eligible for participation after three months of service with the Company. Contributions by the Company are discretionary. The Company has contributed 5% of the basic salary to 401(k) Plan during the year ended December 31, 2021 The total expense for employee retirement benefit plan for the year ended December 31, 2021 was $ NIL (December 31, 2020: $ 8,282).

NOTE O - COMMON STOCK

Common stock authorized, issued and outstanding
The authorized share capital of the Company was 8,000 shares of par value $ 1,000 as at December 31, 2021.

During the year 2019, the Company consolidated shares in the ratio of one share for every 1000 shares held and the corresponding par value was changed to $ 1,000 per share. Common stock issued as at December 31, 2021 was 7,100 shares of $ 1,000 par each (December 31, 2020: 7,100 shares of $ 1,000 par each).

Voting
Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation
In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE P - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, loans to related party and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and trade receivables involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of December 31, 2021 and 2020, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents and trade receivables

NOTE Q - SHARE BASED COMPENSATION ARRANGEMENTS

Cash settled stock appreciation rights (SARs)

The ultimate parent company in 2014 introduced a compensation scheme, to award the scheme participants (employees), a cash reward equivalent to the difference in the base price of Piramal Enterprises Limited, pre-determined in the agreement and the share price of Piramal Enterprises Limited as on each vesting date which shall be paid to the participant, subject to the performance conditions specified in the plan document.

During the year ended December 31, 2020, the Company has cancelled all outstanding SARs. Accordingly, no liability was recognized as at December 31, 2021 and December 31, 2020, respectively.

NOTE R- REVENUE FROM CONTRACT WITH CUSTOMERS

The following table presents revenue disaggregated by source of revenue and classification:

	Year ended	
	December 31, 2021	December 31, 2020
Marketing services		
Over the period of time	-	1,511,324
Total	**-**	**1,511,324**

NOTE S- RISK AND UNCERTAINITIES

The Company has evaluated the possible effect of COVID – 19 on the carrying amount of loan to related party and other assets and believes that the current COVID-19 scenario is not/will not materially impact the financial statement of the Company for the year ended on December 31, 2021. The Company will continue to monitor developments to identify significant uncertainties surrounding COVID-19 and its impact on performance of the Company for future periods.

NOTE T- SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after December 31, 2021 through May 03, 2022, the date the financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

Piramal Healthcare Inc.

Separate Parent Company Financial Statements

December 31, 2021 and December 31, 2020

KNAV P.A.

Certified Public Accountants

One Lakeside Commons, Suite 850

990 Hammond Drive NE, Atlanta, GA 30328

America Counts on CPAs

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PARTNERS BEYOND BOUNDARIES

Independent Auditor's Report

To the Board of Directors
Piramal Healthcare Inc.

Qualified opinion
We have audited the accompanying separate parent company financial statements of Piramal Healthcare Inc., (the "Company") which comprise of the balance sheets as of December 31, 2021, and December 31, 2020, the related statements of income, stockholders' equity and cash flows for the years then ended and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of not consolidating all wholly owned subsidiaries, as discussed in the Basis for qualified opinion paragraph, the separate parent company financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of December 31, 2021, and December 31, 2020, and the results of its operations and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for qualified opinion
Consolidated financial statements are required for conformity with accounting principles generally accepted in the United States of America. As discussed in Note B to the separate parent company financial statements, the wholly owned subsidiaries are included on cost basis. Information regarding these subsidiaries is disclosed in Note G to the separate parent company financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate parent company financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the separate parent company financial statements
Management is responsible for the preparation and fair presentation of the separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the separate parent company financial statements are available to be issued.

Auditor's responsibilities for the audit of the separate parent company financial statements
Our objectives are to obtain reasonable assurance about whether the separate parent company 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 03, 2022

Separate Parent Company Financial Statements

Balance sheets

(All amounts are stated in United States Dollars, unless otherwise stated)	As at December 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	195,657	702,428
Loan to related party, current	31,220,088	28,532,877
Other current assets, related party	10,489,493	9,534,652
Other current assets	1,670,102	1,765,204
Total current assets	**43,575,340**	**40,535,161**
Loans to related parties, non-current	110,670,547	98,186,449
Investments in subsidiaries, at cost	21,254,068	21,254,068
Investments – others	3,572,554	1,764,909
Total assets	**179,072,509**	**161,740,587**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Payable to related party	603,276	662,558
Other current liabilities	3,703	1,662
Total current liabilities	**606,979**	**664,220**
Total liabilities	**606,979**	**664,220**
Stockholders' equity		
Common stock (authorized, issued and outstanding; 10 shares of $ 1,000 each)	10,000	10,000
Additional paid in capital	271,880,972	271,880,972
Accumulated deficit	(93,425,442)	(110,814,605)
Total stockholders' equity	**178,465,530**	**161,076,367**
Total liabilities and stockholders' equity	**179,072,509**	**161,740,587**

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of income

(All amounts in stated United States Dollars, unless otherwise stated)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues		
Interest income	2,596,376	2,597,558
Total revenues	**2,596,376**	**2,597,558**
Cost and expenses		
Professional expenses	139,818	482,060
Rates and taxes	34,084	8,908
Bank charges	2,998	2,980
Total cost and expenses	**176,900**	**493,948**
Operating income	**2,419,476**	**2,103,610**
Dividend income	13,380,000	-
Other income, net	1,807,645	49,521
Income before income taxes	**17,607,121**	**2,153,131**
Current tax expense	(217,958)	(128,094)
Net income	**17,389,163**	**2,025,037**

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of stockholders' equity

For the years ended December 31, 2021 and December 31, 2020

(All amounts in stated United States Dollars, unless otherwise stated)

Particulars	Common Stock Authorized, issued and outstanding		Additional paid in capital	Accumulated deficit	Total stockholder's equity
	Shares	Value ($)			
Balance as at January 1, 2020	**10**	**10,000**	**271,880,972**	**(112,839,642)**	**159,051,330**
Net income for the year	-	-	-	2,025,037	2,025,037
Balance as at December 31, 2020	**10**	**10,000**	**271,880,972**	**(110,814,605)**	**161,076,367**
Balance as at January 1, 2021	**10**	**10,000**	**271,880,972**	**(110,814,605)**	**161,076,367**
Net income for the year	-	-	-	17,389,163	17,389,163
Balance as at December 31, 2021	**10**	**10,000**	**271,880,972**	**(93,425,442)**	**178,465,530**

(The accompanying notes are integral part of these separate parent company financial statements)

Statements of cash flows

(All amounts stated in United States Dollars, unless otherwise stated)

	For the year ended	
	December 31, 2021	December 31, 2020
Cash flows from operating activities		
Net income	17,389,163	2,025,037
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Unrealized gain on investment	(1,807,645)	(25,402)
Changes in net operating assets and liabilities		
Other current assets	95,102	(1,765,204)
Other current assets, related party	(954,841)	(867,446)
Payable to related party	(59,282)	444,528
Other current liabilities	2,041	(24,488)
Net cash provided by (used in) operating activities	**14,664,538**	**(212,975)**
Cash flows from investing activities		
Investment in Nyca Investment Fund	-	(750,000)
Repayment of loans by related parties	6,997,366	13,365,755
Loan advanced to related parties	(22,168,675)	(11,970,000)
Net cash (used in) provided by investing activities	**(15,171,309)**	**645,755**
Net (decrease) increase in cash and cash equivalents	**(506,771)**	**432,780**
Cash and cash equivalents at the beginning of the year	702,428	269,648
Cash and cash equivalents at the end of the year	**195,657**	**702,428**
Supplementary cash flow information		
Income taxes paid	5,920,178	2,864,367

(The accompanying notes are an integral part of these separate parent company financial statements)

Notes to Separate Parent Company Financial Statements

NOTE A - NATURE OF OPERATIONS

Piramal Healthcare Inc. ("PHI" or "the Company"), incorporated on October 17, 2008 in the State of Delaware, United States, is an international holding company and an indirect wholly owned subsidiary of Piramal Pharma Limited ("PPL"), a company, in India.

As on December 31, 2021 and December 31, 2020, the Company has investments in two wholly owned subsidiaries- Piramal Critical Care Inc. ("PCCI") and Piramal Pharma Inc. ("PPI").

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These separate parent company financial statements are prepared in accordance with generally accepted accounting principles in the United States. The significant accounting policies are detailed below:

1 *Basis of preparation*

a. The accompanying separate parent company financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") except for investments in wholly owned subsidiaries. The Company reported its investments in PCCI and PPI using the cost basis for the reporting requirements of its ultimate parent company, Piramal Enterprises Limited. Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of PCCI and PPI (for the years ended December 31, 2021 and December 31, 2020) had been consolidated with those of the Company, total assets and total liabilities would have increased and investments in wholly owned subsidiaries would have decreased as of December 31, 2021 and December 31, 2020. Total revenues, total expenses and total net profit would have increased for each of the years then ended.

b. All amounts are stated in United States Dollars, unless specified otherwise

c. The separate parent company financial statements are for the years ended December 31, 2021 and December 31, 2020. Certain reclassifications, regroupings and reworking have been made in the separate parent company financial statements of prior periods to conform to the classifications used in the current year. This did not have an impact on the statements of income or stockholders' equity

2 *Use of estimates*

The preparation of separate parent company financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the separate parent company financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets and estimation relating to unsettled transactions and events at the balance sheet date represent certain of these particularly sensitive estimates. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revisions in accounting estimates are recognized prospectively in the current and future periods.

3 *Cash and cash equivalents*

Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 for each insured bank per depositor.

4 *Investment at cost*

Investments in majority owned or wholly owned subsidiaries are carried at cost. Acquisition related expenditure is expensed in the year of incurring the same.

5 *Investments at fair value*

Equity interests, other than investments in subsidiaries, with/without readily determinable fair values are carried at fair value with changes in value recorded in the statements of income.

6 *Revenue recognition*

The Company receives interest income from its affiliate companies and recognizes interest income on an accrual basis.

Other income
Dividend income is recognized when the dividend is declared by the majority owned or wholly owned entity or investee.

7 *Income Taxes*

In accordance with the provisions of Financial Accounting Standards Board Accounting Standard Codification Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all, of the asset, will not be realized.

8 *Fair value measurements and financial instruments*

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the separate parent company financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

9 *Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the separate parent company financial statements.

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NOTE C- CONCENTRATION RISK

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from expectations include but are not limited to government regulations and credit risk.

The Company has concentration in respect of region in which its subsidiaries operate, which is the North American market. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company believes that it is not exposed to any significant risk on cash and cash equivalents.

NOTE D- LOAN TO RELATED PARTY, CURRENT

Loan to related party include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Loan to PEL Pharma Inc. *(Refer note K)*	28,649,506	25,962,295
Note receivable from PEL Pharma Inc.	2,570,582	2,570,582
Total	**31,220,088**	**28,532,877**

Loan to PEL Pharma Inc.

Interest rate on loan to PEL Pharma Inc. is 2% annually for years ended December 31, 2021 and December 31, 2020.. Interest receivable on the above loan as of December 31, 2021 was $ 1,579,519 (December 31, 2020: $ 1,032,609). Interest income on the above loan during the year ended December 31, 2021 was $ 546,931 (December 31, 2020: $ 497,064).

Note receivable from PEL Pharma Inc.

Interest rate on the note receivable for the year ended December 31, 2021 and December 31, 2020 is annually 4%. Interest receivable as of December 31, 2021 was $ 406,567 (December 31, 2020: $ 311,317). Interest income during the year ended December 31, 2021 was $ 104,251 (December 31, 2020: $ 104,527).

NOTE E- OTHER CURRENT ASSETS

Other current assets, including related party receivables, include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Interest due from related parties *(Refer note K)*	10,461,861	9,507,020
Other receivables from related parties	27,632	27,632
Advance taxes paid	1,670,102	1,765,204
Total	**12,159,595**	**11,299,856**

NOTE F- LOANS TO RELATED PARTIES, NON-CURRENT

Loans to related parties, non-current includes the following *(Refer note K)* :

	As at	
	December 31, 2021	December 31, 2020
Loan to Piramal Critical Care Inc.	50,495,015	50,495,015
Loan to Piramal Pharma Solutions Inc.	37,394,304	37,394,304
Loan to Piramal Pharma Inc.	3,401,228	3,734,582
Loan to Piramal Dutch IM Holdco B.V.	-	6,562,548
Loan to Piramal Critical Care B.V	6,000,000	-
Loan to Piramal Critical Care U.K	3,000,000	-
Loan to Piramal Dutch Holdings N.V	10,380,000	-
Total	**110,670,547**	**98,186,449**

Rate of Interest:

	For the year ended	
	December 31, 2021 (%)	December 31, 2020 (%)
Piramal Critical Care Inc.	2.00	2.00
Piramal Pharma Solutions Inc.	2.00	2.00
Piramal Pharma Inc.	2.00	2.00
Piramal Dutch IM Holdco B.V.	2.00	2.00
Piramal Critical Care B.V	2.00	-
Piramal Critical Care U.K	3.25	-
Piramal Dutch Holdings N.V	2.00	-

Interest receivable on the above loans as of December 31, 2021 was $ 8,475,774 (December 31, 2020: $ 8,163,094). Interest income on the above loans during the year ended December 31, 2021 was $ 1,945,194 (December 31, 2020: $ 1,995,979).

NOTE G- INVESTMENTS IN SUBSIDIARIES, AT COST

Investments in subsidiaries include the following:

	As at	
	December 31, 2021	December 31, 2020
Investment in Piramal Critical Care Inc.	14,154,068	14,154,068
Investment in Piramal Pharma Inc.	7,100,000	7,100,000
Total	**21,254,068**	**21,254,068**

NOTE H- INVESTMENT- OTHERS

On March 04, 2019, the Company invested an amount of $ 1,130,213 in Nyca Investment Fund III ("the Fund"), a New York based FinTech focussed fund. On February 11, 2020 and August 12, 2020, additional investments amounting $ 375,000 each were made to the Fund.

As of December 31, 2021, and December 31, 2020, the investment is reported at fair value in the balance sheets and the difference between the fair value of the investment and the original cost has been accounted in the statements of income. The fair value of investment as of December 31, 2021 amounts to $ 3,572,554 (December 31, 2020: $ 1,764,909).

As of December 31, 2021, Company's investment in the fund accounts for 1.59 % of the total investment value of the fund (December 31, 2020: 2.42 %).

NOTE I- OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As at	
	December 31, 2021	December 31, 2020
Provision for expenses	3,703	1,662
Total	**3,703**	**1,662**

NOTE J- INCOME TAXES

For the year ended December 31, 2021, the Company will file a consolidated federal tax return as per regulations applicable to Chapter C corporations in the United States.

The Company files combined state tax returns with its US subsidiaries in states where nexus is determined, and combined filing is required or permitted based on the state statutes.

The components of the provision for income taxes are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
Current taxes		
State	217,958	128,094
Total	**217,958**	**128,094**

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes are as follows:

	December 31, 2021	December 31, 2020
Income tax at federal rate	3,594,560	452,157
State tax, net of federal effect	296,439	100,536
Permanent differences	(2,809,808)	877
Temporary differences	27,838	(4,118)
Change in net operating losses	(26,999)	3,846
Change in valuation allowance	(864,072)	(425,204)
Total	**217,958**	**128,094**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at	
	December 31, 2021	December 31, 2020
Non–current deferred tax assets		
Net operating losses	6,243,199	7,068,972
Total deferred tax asset	**6,243,199**	**7,068,972**
Investment in foreign partnership	(39,973)	(1,673)
Total deferred tax liability	**(39,973)**	**(1,673)**
Net deferred taxes	6,203,226	7,067,299
Less: valuation allowance	(6,203,226)	(7,067,299)
Deferred tax asset, net	**-**	**-**

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences, and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Management believes that negative evidence outweighs the positive evidence and thus it is more likely than not that the benefit from deferred tax asset on net operating losses may not be realized in foreseeable future. In recognition of this risk, a valuation allowance of $ 6,203,226 and $ 7,067,299 has been created as of December 31, 2021 and December 31, 2020, respectively.

As of December 31, 2021, the Company has federal net operating loss carryforwards (NOLs) of approximately $ 22,582,554. NOLs created from 2018 onwards will carryforward to indefinite time period and NOLs prior to 2018 will expire between tax years 2032 and 2036. The Company has net operating loss carryforwards in various states of $ 19,017,284 as of December 31, 2021, which if unutilized will expire based on various state statutes.

The Company is party to a Tax Sharing Agreement, with an effective date of January 01, 2018, with Piramal Critical Care Inc. ("PCCI"). The Tax Sharing Agreement sets forth, among other things, PHI, and each of the Company's obligations in connection with filing consolidated federal, state, and foreign tax returns. The agreement provides that current income tax expense (benefit) is computed on a separate return basis and the Company shall make payments (or receive reimbursement) to or from members of the tax group to the extent their income (losses and other credits) contribute to (reduce) the consolidated income tax expense. The consolidating companies are reimbursed for the net operating losses or other tax attributes they have generated when utilized in the consolidated returns. The Company may recognize a benefit in the calculation of its provision for income taxes to the extent that foreign tax credits, capital losses and other tax attribute generated by the Company can be utilized both on a separate company basis and in the consolidated or combined tax returns of PHI.

During the current tax year, PHI received $ 5,559,500 (December 2020: $ 2,250,430) from PCCI as part of the tax sharing agreement for the taxes paid by PHI on behalf PCCI.

Per the Tax Sharing Agreement, for all taxable years from January 01, 2018, the Company shall pay the entire federal income tax liability of the consolidated group and shall indemnify and hold harmless PCCI against any such liability; provided, however, that the Company shall make payments to or receive payments from PCCI as provided in the Tax Sharing Agreement for any taxable year during which the Company is included in the consolidated group.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the separate parent company financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of December 31, 2021 and December 31, 2020.

The tax years of 2018 to 2020 remain subject to examination by the taxing authorities.

NOTE K- RELATED PARTY TRANSACTIONS

The Company had transactions relating to loans, advances, and investments with following related parties:

A. Stockholders

1. Piramal Enterprises Limited (Ultimate parent company) (Owning 10% of common stock till October 04, 2020).
2. Piramal Pharma Limited (the Parent Company) (Owning 10% of common stock effective October 05, 2020 and as of December 31, 2021)
3. Piramal Dutch Holdings N.V. (Owning 90% of common stock as of December 31, 2021 and 2020, respectively).

B. Subsidiaries

1. Piramal Critical Care Inc.
2. Piramal Pharma Inc.

C. Affiliates

1. Piramal Pharma Solutions Inc.
2. DRG Holdco Inc.
3. PEL Pharma Inc.
4. Piramal Dutch IM Holdco B.V.
5. Piramal Critical Care U.K
6. Piramal Critical Care B.V
7. Piramal Dutch Holdings N.V

	As at	
	December 31, 2021	December 31, 2020
Piramal Enterprises Limited		
Receivable for excess guarantee commission paid	20,606	20,606
Receivable for expenses incurred on the behalf of Piramal Enterprise Limited	7,026	7,026
Piramal Critical Care, Inc.		
Loan receivable	50,495,015	50,495,015
Interest receivable	-	485,625
Interest income for the year	1,009,220	1,014,894
Current account balance payable	603,276	662,558
Dividend income	13,380,000	-
Piramal Pharma, Inc.		
Loan receivable	3,401,228	3,734,582
Interest receivable	34,735	31,125
Interest income for the year	70,166	100,210
PEL Pharma, Inc.		
Loan receivable	28,649,506	25,962,295
Note receivable	2,570,582	2,570,582
Interest receivable	1,986,086	1,343,926
Interest income for the year	651,182	601,591
Piramal Pharma Solutions, Inc.		
Loan receivable	37,394,304	37,394,304
Interest receivable	8,347,214	7,599,330
Interest income for the year	747,889	741,637

Piramal Critical Care B.V		
Loan receivable	6,000,000	-
Interest receivable	71,671	-
Interest income for the year	71,671	-
Piramal Critical Care U.K		
Loan receivable	3,000,000	-
Interest receivable	13,623	-
Interest income for the year	13,623	-
Piramal Dutch Holdings N.V		
Loan receivable	10,380,000	-
Interest receivable	8,532	-
Interest income for the year	8,532	-
DRG Holdco, Inc		
Interest income for the year	-	59,664
Piramal Dutch IM Holdco B.V.		
Loan receivable	-	6,562,548
Interest receivable	-	47,014
Interest income for the year	24,093	79,562

The Company has a payable balance amounting to $ 603,276 (December 2020: payable balance of $ 662,558) on account of taxes paid on behalf of PCCI, which is included in "Payable to related party" in the balance sheets.

NOTE L- COMMON STOCK

Common stock issued
Common stock issued as of December 31, 2021 was 10 shares of $ 1,000 par each (December 31, 2020, 10 shares of $ 1,000 par each).

Voting
Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation
In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE M- FAIR VALUE MEASUREMENTS

The Company's financial instruments consist of cash and cash equivalents, investments, loans, and advances to subsidiaries and affiliates. The estimated fair value of cash, loans advanced – current, and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. The fair value of long-term loans and advances to subsidiaries and affiliates also approximate their carrying values. None of these instruments are held for trading purposes.

The Company measures investments, other than investments in subsidiaries, at fair value on a recurring basis. The fair value measurements of these investments were determined using the following inputs as of December 31, 2021 and December 31, 2020:

	As of December 31, 2021		
	Quoted price in active markets for identical Assets (Level 1)	Significant other observable Inputs (Level 2)	Significant other unobservable Inputs (Level 3)
*Nyca Investment Fund III	-	-	3,572,554
Total	**-**	**-**	**3,572,554**

	As of December 31, 2020		
	Quoted price in active markets for identical Assets (Level 1)	Significant other observable Inputs (Level 2)	Significant other unobservable Inputs (Level 3)
*Nyca Investment Fund III	-	-	1,764,909
Total	**-**	**-**	**1,764,909**

*The investment in the Fund is valued on the basis of net asset value received from the fund house.

Reconciliation for the investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year:

	December 31, 2021 Significant other unobservable Inputs (Level 3)	December 31, 2020 Significant other unobservable Inputs (Level 3)
Opening balance	1,764,909	989,507
Purchase of securities	-	750,000
Unrealized gain included in the statements of income	1,807,645	25,402
Closing balance	**3,572,554**	**1,764,909**

Unrealized gain is included in the statements of income under the head 'other income'.

NOTE N- RISK AND UNCERTAINTIES

The Company has evaluated the possible effect of COVID – 19 on the carrying amount of loan to related party and other assets and believes that the current COVID-19 scenario is not/will not materially impact the separate parent company financial statements of the Company for the year ended on December 31, 2021. The Company will continue to monitor developments to identify significant uncertainties surrounding COVID-19 and its impact on performance of the Company for future periods.

NOTE O- DIVIDEND INCOME

During the year, the Company received dividend income amounting to $ 13,380,000 from Piramal Critical Care Inc.

NOTE P- SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 03, 2022 which is the date the separate parent company financial statements were available to be issued. No material subsequent event has been noted.

Registration number: 05160306

Piramal Critical Care Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

KNAV
Statutory Auditors
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Piramal Critical Care Limited

Contents

Piramal Critical Care Limited

Company Information

Directors	Mr K Upadhyay Mr P D Deyoung Mr W J Hargan Mr M K Poorachandran
Company secretary	Mr K Upadhyay
Registered office	Suite 4, Ground Floor Heathrow Boulevard East Wing 280 Bath Road West Drayton UB7 0DQ
Auditors	KNAV Statutory Auditors Hygeia Building Ground Floor 66-68 College Road Harrow Middlesex HA1 1BE

Piramal Critical Care Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is that of manufacturing and distribution of pharmaceutical products.

Fair review of the business

The core strategy of the company is the growth of the pharmaceutical business specialising in Inhalation Anaesthetics, pre- and post-surgery pain management, and lifesaving medical products. The company recovered fairly and remained resilient throughout the year. During the year, despite Covid-19, the demand for Injectable Pain (IP) products has increased globally and the company ensured that all patient needs get fulfilled. The company has also successfully transitioned the pain management business from Janssen affiliates to Piramal in key countries like Switzerland, Brazil, Saudi Arabia and UAE. The company has completed Manufacturing Site transition related activities for most markets from GSK (Janssen) to Demo and Cenexi (third party contract manufacturing sites), this was critical activity to ensure continuity of supply. During the year, the Inhalation Anaesthetic products have shown some downward trend in the UK market due to hospitals primarily treating COVID-19 patients and performing limited elective surgeries, however, the company had observed a significant increase in elective surgeries in the latter part of the year.

Whilst ensuring that all cash opportunities were maximized, the cashflow to the Company's supply chain continued uninterrupted and flawless despite an increase in logistic costs due to Covid-19. The company has entered into forward contracts for JPY to convert in USD & EUR and ZAR to convert into USD to curb the foreign exchange risk. The company continues to monitor the business operations and costs associated with the same. We expect to see a robust return to profitability in the coming year, as the company is observing recovery of the Inhaled Anaesthesia business in the UK along with a stable supply from Demo and Cenexi for Injectable Pain products. The company was able to retain its overall market share for England and Wales region but lost its Scotland tender due to price to a competitor.

The company along with PCC Group globally continued Patient Centricity Initiatives. The philosophy at Piramal Critical Care (PCC) has been strongly customer centric for some time. Everyone at the company is encouraged to think about the benefits that company's products deliver to patients. Improving Quality of Life for our end user (the patient) is the reason PCC does what it does – they are at the centre of our business strategy. The Group's core philosophy of 'Doing Well and Doing Good' – ensuring PCC's products are top quality, effective, safe and affordable, enables the business to improve outcomes for its most important stakeholder - the patient.

The company is looking forward to launch multiple new products in the coming year as a part of In License deal entered into with another pharmaceutical company.

The loss for the year, before taxation, amounted to USD $14,377,479 (2020: Loss USD $9,311,212).

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Revenue	USD $	35,818,620	41,271,264
Loss before tax	USD $	(14,377,479)	(9,311,212)

Principal risks and uncertainties

The Company, in conjunction with the ultimate parent company, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The policies set out by the board and agreed with the ultimate parent company are implemented by the company's directors

The directors monitor performance through the production of management accounts on a monthly basis. Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include revenue, operating profits, earnings before interest tax and amortisation (EBITDA), working capital, customer service and cash flows from operating activities.

Risks considered by management include the following:

Brexit Risk

Whilst on 24 December 2020 negotiations were completed in respect of the UK-EU Trade and Cooperation Agreement ("UK-EU TCA"), the agreement has not yet been ratified, and uncertainty remains regarding the precise impact of the agreement on the Company's business. The company monitors and reviews this and other macroeconomic and geopolitical risks on a regular basis. The company has extended where necessary, European Marketing Authorisations to its sister company, Piramal Critical Care BV in Netherlands. This will ensure, uninterrupted supply of products to patients and hospitals.

Covid – 19 Risk

During the year, the company observed significant recovery from COVID-19. Key challenges with respect to availability of product and transportation has minimised. The company's management is closely monitoring and collaborating with customers, manufacturing partners and logistics partners to ensure uninterrupted supply of products. It is expected that the demand for the company's products will grow with ease of restrictions and the structure of the market will be broadly remain unaffected. During the year, the company has observed government regulations and continued hybrid operations for its employees which ensured health and safety of employees and their families. With robust IT infrastructure in place, the company has not observed any disruption to business operations due to this.

Credit risk

The company has implemented policies that require appropriate credit checks on customers before sales are made to minimise the risk of financial loss.

Liquidity risk

The Company maintains sufficient funds and generates cash from operations to meet working capital requirements. The term loan of USD 115 million from an external banker continues and the company has made all the necessary arrangements to repay the 1st instalment. The company has access to longer term financing from its ultimate parent if required.

Regulatory risk

The pharmaceutical industry in general is highly regulated on a national, EU and USA level. The company ensures adherence of these regulations and its supply chain is also encouraged to do the same.

Foreign exchange risk
The Company has the risk of foreign currency fluctuations associated with Euro denominated transactions for the material cost and USD denominated transactions related to working capital and long term financing costs. This is monitored closely by management. The company has entered into forward exchange contracts for JPY to convert it into USD and EUR as well as converting ZAR into USD to curb the foreign exchange risk for trade receivables.

Interest rate risk
During the year, the company had variable interest rate risk on its Long-Term Loan which is based on LIBOR and a working capital line is based on the Bank of England rate of interest. The company continues to monitor the interest rate volatility.

Section 172(1) statement
The Directors are well aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:
– the likely consequences of any decision in the long term;
– the interests of the Company's employees;
– the need to foster the Company's business relationships with suppliers, customers and others;
– the impact of the Company's operations on the community and the environment;
– the desirability of the Company maintaining a reputation for high standards of business conduct; and
– the need to act fairly as between members of the Company,
(the "s.172(1) Matters").

The following paragraphs summarise how the Directors' fulfil their duties:

1. Our plan was designed to have a long-term beneficial impact on the company and the group at large.

2. Being a relatively small company, our employees are important to the delivery of our plans. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

3. We value all of our suppliers and have several multi-year contracts with our key suppliers and contract manufacturers to ensure we maintain strong relationships with them and to provide continued high quality products to our customers.

4. The Piramal group as a whole has core values of Knowledge, Action, Care & Impact which are embedded in the group and its subsidiaries. We support several social causes and provide high quality pharmaceutical products to several countries around the world.

5. As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours.

6. Communication with our shareholder is important for the Board. By maintaining dialogue with our shareholder, we aim to ensure that their views are heard and that our objectives are understood.

Piramal Critical Care Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

This report was approved by the Board on 18-MAY-2022 and signed on its behalf by:

....

Mr K Upadhyay
Director

Piramal Critical Care Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statementsfinancial statements for the year ended 31 December 2021.

Directors of the company
The directors who held office during the year were as follows:

Mr K Upadhyay

Mr P D Deyoung

Mr W J Hargan

Mr M K Poorachandran

Financial risk management
The Directors' have identified and included the Company's key risks and associated management policies in the Strategic Report on pages 3 to 5.

Employment of disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employee.

Employee involvement
The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. The employees (or their representatives) are consulted regularly on wide range of matters affecting their current and future interests.

Future developments
Please refer to the Strategic Report on page 2.

This report is approved by the Board on ...18-MAY-2022 and signed on its behalf by:

Piramal Critical Care Limited

....
Mr K Upadhyay
Director

Piramal Critical Care Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware.

Piramal Critical Care Limited

Independent Auditor's Report to the Members of Piramal Critical Care Limited

Opinion

We have audited the financial statements of Piramal Critical Care Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Piramal Critical Care Limited

Independent Auditor's Report to the Members of Piramal Critical Care Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 ISAs (UK) 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.

Piramal Critical Care Limited

Independent Auditor's Report to the Members of Piramal Critical Care Limited (continued)

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102, UK taxation legislation and the regulation around the pharmaceutical products sold by the company as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:
• enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
• examining supporting documents for all material balances, transactions and disclosures;
• review of the Board of directors minutes;
• enquiry of management and review and inspection of relevant correspondence with any legal firms;
• evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
• analytical procedures to identify any unusual or unexpected relationships;
• testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
• review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Piramal Critical Care Limited

Independent Auditor's Report to the Members of Piramal Critical Care Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amanjit

....

Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: 18.05.2022

Piramal Critical Care Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 $	2020 $
Turnover	3	35,818,620	41,271,264
Cost of sales		(22,892,891)	(25,043,645)
Gross profit		12,925,729	16,227,619
Administrative expenses		(21,292,607)	(17,657,114)
Other operating income	4	1	1,816,741
Operating (loss)/profit	5	(8,366,877)	387,246
Other interest receivable and similar income	6	1,607	24,080
Interest payable and similar expenses	7	(6,012,209)	(9,722,538)
		(6,010,602)	(9,698,458)
Loss before tax		(14,377,479)	(9,311,212)
Tax on loss	11	353,017	-
Loss for the financial year		(14,024,462)	(9,311,212)

The notes on pages 16 to 33 form an integral part of these financial statements.

Piramal Critical Care Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 $	2020 $
Loss for the year	(14,024,462)	(9,311,212)
Net change in fair value of cash flow hedges	-	(464,909)
Total comprehensive income for the year	(14,024,462)	(9,776,121)

Piramal Critical Care Limited

(Registration number: 05160306)
Balance Sheet as at 31 December 2021

	Note	2021 $	2020 $
Fixed assets			
Intangible assets	12	123,053,149	132,381,128
Tangible assets	13	163,301	251,607
Investments	14	1,081,787	1,081,787
		124,298,237	133,714,522
Current assets			
Stocks	16	17,377,397	9,608,183
Debtors	17	12,927,817	23,836,901
Other financial assets	15	(11,721)	(79,770)
Cash at bank and in hand		1,095,294	818,069
		31,388,787	34,183,383
Creditors: Amounts falling due within one year	19	(49,508,711)	(37,750,268)
Net current liabilities		(18,119,924)	(3,566,885)
Total assets less current liabilities		106,178,313	130,147,637
Creditors: Amounts falling due after more than one year	19	(95,323,712)	(105,268,574)
Net assets		10,854,601	24,879,063
Capital and reserves			
Called up share capital	20	11,904,960	11,904,960
Profit and loss account		(1,050,359)	12,974,103
Shareholders' funds		10,854,601	24,879,063

These financial statements were approved and authorised for issue by the Board on 18-05-2022 and signed on its behalf by:

....

Mr K Upadhyay

Director

The notes on pages 16 to 33 form an integral part of these financial statements.

Piramal Critical Care Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital $	Cash flow hedge reserve $	Profit and loss account $	Total $
At 1 January 2020	11,904,960	(1,887,946)	22,285,315	32,302,329
Loss for the year	-	-	(9,311,212)	(9,311,212)
Changes in fair value of cash flow hedges	-	(464,909)	-	(464,909)
Total comprehensive income	-	(464,909)	(9,311,212)	(9,776,121)
Transfers	-	2,352,855	-	2,352,855
At 31 December 2020	11,904,960	-	12,974,103	24,879,063

	Share capital $	Cash flow hedge reserve $	Profit and loss account $	Total $
At 1 January 2021	11,904,960	-	12,974,103	24,879,063
Loss for the year	-	-	(14,024,462)	(14,024,462)
Total comprehensive income	-	-	(14,024,462)	(14,024,462)
At 31 December 2021	11,904,960	-	(1,050,359)	10,854,601

The notes on pages 16 to 33 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England, UK.

The address of its registered office is:
Suite 4, Ground Floor
Heathrow Boulevard East Wing
280 Bath Road
West Drayton
UB7 0DQ
United Kingdom

These financial statements were authorised for issue by the Board of directors on ....

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, Piramal Enterprises Limited, includes these in its own consolidated financial statements:

- the requirement to prepare a statement of cash flows;
- certain financial instrument disclosures;
- the non-disclosure of key management personnel compensation in total.

The functional and presentational currency is US dollars ($), being the currency of the primary economic environment in which the company operates in.

Exemption from preparing group accounts

The financial statements contain information about Piramal Critical Care Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Piramal Enterprises Limited, a company incorporated in India.

2 Accounting policies (continued)

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/vat added tax, returns, rebates and discounts.

Transition period (post acquisition of new products and business combinations)
The transition period refers to the period under the asset purchase agreement where the company is awaiting regulatory approval in various jurisdictions to sell the product under the Piramal brand. During the transition period post acquisition, the original party the product was acquired from continues to manufacture and sell the products on behalf of the company. The original party the product was acquired from is also obliged to continue the business operation as per the asset purchase agreements and performs all relevant activities on behalf of the company. The company bears all expenditure for the manufacture and sale of the products and any legal liability towards the product. As the principal, the company recognises sales, cost of sales and other relevant expenditure relating to the products at gross value based on the financial data provided by the original party. The transition period ended in September 2021.

Direct sales
Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow to the Company, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably.

The goods are often sold with volume discounts/pricing incentives and customers have a right to return damaged or expired products.

Provisions for rebates and discounts are estimated and provided for in the year of sales and recorded as reduction of revenue.

Interest income
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 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.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Acquired intangible assets

Acquired intangible assets such as technical know-how and brands are recognised at fair value at the acquisition date. Subsequently, they are amortised over the finite useful economic life and reviewed annually for impairment

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life. The amortisation is in administrative expenses. The useful life is as follows:

Asset class	Amortisation method and rate
Technical Know How	Straight line over 10 and 15 years
Other intangible assets	Not amortised when under development or awaiting regulatory approval
Brand	Straight line over 20 years

2 Accounting policies (continued)

Research and development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred.

Research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable or the costs being capitalised no longer meet the recognition criteria set out above. Any such charge on IPR&D assets are recognised in profit or loss.

IPR&D assets are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Short leasehold improvements	Straight line over 5 years
Plant and machinery	Straight line over 5 years

Financial instruments

Classification

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds both basic and non-basic financial instruments, which comprise cash and cash equivalents, trade and other debtors, trade and other creditors, loan and other borrowings and equity investments.

The company has applied the measurement and recognition provisions of Section 11 Basic Financial Instruments in full for the basic financial instruments.

Investments

Investments in equity shares in subsidiary undertakings, which are not publicly traded and where fair value cannot be measured reliably, are measured at cost less impairment.

2 Accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2 Accounting policies (continued)

Provisions
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 an 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.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments
FRS 102 section 26 "Share based Payment" requires the recognition of liabilities for cash settled share based payments at the current fair value at each balance sheet date.

The fair value of share awards relating to the ultimate parent undertaking, which ultimately vest, have been charged to that company's profit and loss account over the vesting or performance period. The proportion of this charge relating to services provided by employees to their employer Piramal Critical Care Limited is not considered by the directors to be material to the company. Therefore, no charge in respect of these options has been reflected on this company's financial statements.

2 Accounting policies (continued)

Derivative financial instruments and hedging

Derivatives

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Hedging

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or carrying amount of the asset or liability. Alternatively when hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 $	2020 $
Sale of goods	32,391,498	36,425,745
Rendering of services	3,427,122	4,845,519
	35,818,620	41,271,264

The analysis of the company's turnover for the year by market is as follows:

	2021 $	2020 $
UK	8,703,713	4,931,431
Europe	5,100,871	14,132,879
Rest of world	22,014,036	22,206,954
	35,818,620	41,271,264

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 $	2020 $
Miscellaneous other operating income	1	1,816,741

The other income in the prior year relates to contingent consideration no longer payable on the acquisition of Levothyroxine Sodium and the write off of an advance given by a customer.

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2021 $	2020 $
Depreciation expense	88,306	88,931
Amortisation expense	9,401,092	9,420,445
Research and development cost	290,318	546,748
Foreign exchange losses/(gains)	1,220,857	(1,998,562)
Operating lease expense - other	881,141	800,298

6 Other interest receivable and similar income

	2021 $	2020 $
Other finance income from group	1,607	24,080

7 Interest payable and similar expenses

	2021 $	2020 $
Net loss on derivative	(165,838)	177,076
Interest expense on other finance liabilities	6,178,047	9,545,462
	6,012,209	9,722,538

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 $	2020 $
Wages and salaries	3,772,669	3,477,900
Social security costs	358,617	398,658
Pension costs, defined contribution scheme	344,874	301,316
Agency staff expense	934,660	976,862
	5,410,820	5,154,736

The average monthly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	15	12
Sales	10	7
Marketing	2	2
Management	4	4
	31	25

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 $	2020 $
Remuneration	460,225	572,700
Contributions paid to money purchase pension schemes	37,760	51,567
	497,985	624,267

In respect of the highest paid director:

	2021 $	2020 $
Remuneration	-	316,274
Company contributions to money purchase pension schemes	-	32,271

In the current year, no Director earned over £200,000.

Piramal Critical Care Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Auditors' remuneration

	2021 $	2020 $
Audit of the financial statements	13,508	38,738
Other fees to auditors		
Taxation compliance services	3,706	2,720
All other assurance services	37,671	48,042
	41,377	50,762

11 Taxation

Tax charged/(credited) in the income statement

	2021 $	2020 $
Current taxation		
UK corporation tax adjustment to prior periods	(353,017)	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 $	2020 $
Loss before tax	(14,377,479)	(9,311,212)
Corporation tax at standard rate	(2,731,721)	(1,769,130)
Effect of expense not deductible in determining taxable profit (tax loss)	848,750	1,480,575
Effect of tax losses	1,873,449	369,401
Decrease in UK current tax from losses carried back	(353,017)	-
Tax increase from effect of capital allowances and depreciation	9,522	7,487
Current tax related to items recognised as items of other comprehensive income	-	(88,333)
Total tax credit	(353,017)	-

12 Intangible assets

	Technical Know How $	Other intangible assets $	Brand $	Total $
Cost				
At 1 January 2021	24,982,555	154,887	148,305,167	173,442,609
Additions acquired separately	-	73,114	-	73,114
At 31 December 2021	24,982,555	228,001	148,305,167	173,515,723
Amortisation				
At 1 January 2021	7,770,770	-	33,290,711	41,061,481
Amortisation charge	2,097,326	-	7,303,767	9,401,093
At 31 December 2021	9,868,096	-	40,594,478	50,462,574
Carrying amount				
At 31 December 2021	15,114,459	228,001	107,710,689	123,053,149
At 31 December 2020	17,211,785	154,887	115,014,456	132,381,128

The company continues to hold the Brand and Technical Know How of five anaesthesia and pain management injectable products (Net book value: $113,903,343). The company estimated the useful life of these Brands as 20 years (15 years remaining) and Technical Know How as 10 years (5 years remaining). The remaining Technical Know How is for Levothyroxine Sodium (Net book value: $7,491,475) and Miglustat (Net book value: $1,430,329) which are being amortised over 15 years (11 years remaining). Other intangible assets includes in-licensing agreements of Lenalidomide, Tigecycline, Icatibant and Sunitinib. The company expects sales for these products to commence in the following year.

13 Tangible assets

	Short leasehold improvements $	Plant and machinery $	Total $
Cost			
At 1 January 2021	150,435	304,414	454,849
At 31 December 2021	150,435	304,414	454,849
Depreciation			
At 1 January 2021	99,805	103,437	203,242
Charge for the year	30,101	58,205	88,306
At 31 December 2021	129,906	161,642	291,548
Carrying amount			
At 31 December 2021	20,529	142,772	163,301
At 31 December 2020	50,630	200,977	251,607

14 Investments in subsidiaries

	2021 $	2020 $
Investments in subsidiaries	1,081,787	1,081,787

Subsidiaries	$
Cost	
At 1 January 2021	1,081,787
At 31 December 2021	1,081,787
Carrying amount	
At 31 December 2021	1,081,787
At 31 December 2020	1,081,787

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2021	2020
Subsidiary undertakings				
Piramal Critical Care South Africa (PTY) Limited	300 Acacia Road Stonehill Office Park 2 Kiepersol House Ground Floor Darrenwood, Johannesburg South Africa	Ordinary shares	100%	100%
Piramal Critical Care Pty Ltd	C/o Regus Australia Management Pty Ltd Tower A The Zenith Level 20 821 Pacific Highway Chatswood NSW 2067 Australia	Ordinary shares	100%	100%

Piramal Critical Care Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

15 Other financial assets/(liabilities)

	Derivatives not used for hedging $
Current financial assets/(liabilities)	
Cost or valuation	
At 1 January 2021	(79,770)
Fair value adjustments	68,049
At 31 December 2021	(11,721)
Carrying amount	
At 31 December 2021	(11,721)
At 31 December 2020	(79,770)

16 Stocks

	2021 $	2020 $
Raw materials and consumables	5,636,144	3,822,973
Work in progress	3,395,222	143,083
Finished goods and goods for resale	8,346,031	5,642,127
	17,377,397	9,608,183

17 Debtors

	Note	2021 $	2020 $
Trade debtors		6,068,599	8,647,528
Amounts owed by related parties	24	2,690,508	10,295,500
Other debtors		3,393,323	4,207,156
Prepayments		775,387	686,668
Corporation tax recoverable	11	-	49
Total current trade and other debtors		12,927,817	23,836,901

17 Debtors (continued)

Included within other debtors are payments in advance to suppliers totalling USD 3,331,040 (2020: USD 3,294,205) which are classified as non current.

Included within prepayments is USD 375,451 (2020: USD 305,147) which are classified as non current.

18 Cash and cash equivalents

	2021 $	2020 $
Cash at bank	1,095,294	818,069

19 Creditors

	Note	2021 $	2020 $
Due within one year			
Loans and borrowings	21	21,109,016	673,034
Trade creditors		1,742,641	1,588,521
Amounts due to related parties	24	20,613,699	28,845,663
Social security and other taxes		253,372	117,377
Other payables		360,602	104,584
Accrued expenses		5,379,050	6,421,089
Corporation tax payable	11	50,331	-
		49,508,711	37,750,268
Due after one year			
Loans and borrowings	21	89,323,712	105,268,574
Other non-current financial liabilities		6,000,000	-
		95,323,712	105,268,574

Included in other non-current financial liabilities are loans from group undertakings of USD 6m.

20 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	$	No.	$
Ordinary shares of £1 each	9,600,000	11,904,960	9,600,000	11,904,960

21 Loans and borrowings

	2021 $	2020 $
Non-current loans and borrowings		
Bank borrowings	89,323,712	105,268,574

	2021 $	2020 $
Current loans and borrowings		
Bank borrowings	18,554,252	-
Bank overdrafts	2,554,764	673,034
	21,109,016	673,034

Bank borrowings

The loan of USD 115 million (2020: USD 115 million) is denominated in USD with a nominal interest rate of 3M LIBOR plus 2.6%. There are fixed and floating charges over certain assets of the company. The ultimate parent company has also provided a guarantee for the loan. The effective interest rate method is being used for calculating the loan balance.

22 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021 $	2020 $
Not later than one year	551,613	669,123
Later than one year and not later than five years	736,928	1,002,809
	1,288,541	1,671,932

23 Commitments

Other financial commitments

The company has committed to procure 48 million units of product from a supplier over the next four years. The total amount of other financial commitments not provided in the financial statements was $Nil (2020 - $Nil).

24 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemptions available in FRS 102 from disclosing related party transactions with other companies that are wholly owned within the group.

25 Financial instruments

Categorisation of financial instruments

	2021 $	2020 $
Financial assets measured at fair value through profit or loss	-	(2,039,128)

Cash flow hedges

Interest rate swap

In the prior year, the company had an interest rate swap agreement which was settled on 28th February 2020.

26 Parent and ultimate parent undertaking

The company's immediate parent is Piramal Dutch Holdings N.V., incorporated in Netherlands.

The ultimate parent is Piramal Enterprises Limited, incorporated in India.

The most senior parent entity producing publicly available financial statements is Piramal Enterprises Limited. These financial statements are available upon request from

Piramal Ananta,
Agastya Corporate Park,
LBS Marg,
Opposite Fire Brigade,
Sunder Baug Lane
Kamani Junction,
Kurla West,
Mumbai 400 070
India.

Also available from www.piramal.com.

There is no one controlling party.

Piramal Critical Care Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021

	2021 $	2020 $
Turnover (analysed below)	35,818,620	41,271,264
Cost of sales (analysed below)	(22,892,891)	(25,043,645)
Gross profit	12,925,729	16,227,619
Gross profit (%)	36.09%	39.32%
Administrative expenses		
Employment costs (analysed below)	(5,621,803)	(5,250,331)
Establishment costs (analysed below)	(711,299)	(583,809)
General administrative expenses (analysed below)	(4,901,970)	(1,961,380)
Finance charges (analysed below)	(568,137)	(352,218)
Depreciation costs (analysed below)	(9,489,398)	(9,509,376)
	(21,292,607)	(17,657,114)
Other operating income (analysed below)	1	1,816,741
Operating (loss)/profit	(8,366,877)	387,246
Other interest receivable and similar income (analysed below)	1,607	24,080
Interest payable and similar charges (analysed below)	(6,012,209)	(9,722,538)
	(6,010,602)	(9,698,458)
Loss before tax	(14,377,479)	(9,311,212)

This page does not form part of the statutory financial statements.

Piramal Critical Care Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021 (continued)

	2021 $	2020 $
Turnover		
Sale of goods, UK	8,703,713	4,931,431
Sale of goods, Europe	1,673,749	9,287,360
Rendering of services, Europe	3,427,122	4,845,519
Sale of goods, rest of world	22,014,036	22,206,954
	35,818,620	41,271,264
Cost of sales		
Opening raw materials	(3,822,973)	(1,168,239)
Opening work in progress	(143,083)	(2,403,625)
Opening finished goods	(5,642,127)	(2,273,657)
Purchases	(26,296,701)	(22,809,602)
Direct costs	(1,589,799)	(3,455,427)
Closing raw materials	5,636,144	3,822,973
Closing work in progress	3,395,222	143,083
Closing finished goods	8,346,031	5,642,127
Freight and carriage	(2,775,605)	(2,541,278)
	(22,892,891)	(25,043,645)
Employment costs		
Wages and salaries	(3,312,444)	(2,905,200)
Staff NIC (Employers)	(303,212)	(329,249)
Directors remuneration	(460,225)	(572,700)
Directors NIC (Employers)	(55,405)	(69,409)
Staff pensions (Defined contribution)	(307,114)	(249,749)
Directors pensions (Defined contribution)	(37,760)	(51,567)
Subcontract cost	(210,983)	(95,595)
Casual wages	(879,031)	(962,903)
Staff training	(18,598)	(4,798)
Staff welfare	(37,031)	(9,161)
	(5,621,803)	(5,250,331)
Establishment costs		
Rent	(163,983)	(174,791)
Rates	(15,766)	(5,129)
Light, heat and power	(2,351)	(2,610)
Insurance	(83,464)	(93,669)
Repairs and maintenance	(445,735)	(307,610)
	(711,299)	(583,809)

Piramal Critical Care Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021 (continued)

	2021 $	2020 $
General administrative expenses		
Telephone and fax	(51,142)	(62,567)
Computer software and maintenance costs	(37,588)	(47,351)
Printing, postage and stationery	(9,864)	(10,275)
Trade subscriptions	(27,383)	(32,742)
Hire of other assets (Operating leases)	(881,141)	(800,298)
Sundry expenses	(6,183)	(19,237)
Cleaning	(10,518)	(12,077)
Research and development	(290,318)	(546,748)
Travel and subsistence	(67,064)	(73,951)
Advertising	(1,010,071)	(286,893)
Auditor's remuneration - The audit of the company's annual accounts	(13,508)	(38,738)
Auditor's remuneration - Tax services	(3,706)	(2,720)
Auditor's remuneration - Other services	(37,671)	(48,042)
Solicitors fees	-	(40,623)
Legal and professional fees	(592,080)	(1,224,743)
Royalties payable	(825,425)	(438,356)
Bad debts written off	182,549	(274,581)
Foreign currency (gains)/losses - operating expense	(1,220,857)	1,998,562
	(4,901,970)	(1,961,380)
Finance charges		
Bank charges	(54,204)	(121,257)
Credit card charges	(513,933)	(230,961)
	(568,137)	(352,218)
Depreciation costs		
Amortisation- Technical Know How	(2,097,326)	(2,096,786)
Amortisation - Brand	(7,303,766)	(7,323,659)
Depreciation of short leasehold property	(30,101)	(30,163)
Depreciation of plant and machinery (owned)	(58,205)	(58,768)
	(9,489,398)	(9,509,376)
Other operating income		
Miscellaneous other operating income	1	1,816,741
Operating (loss)/profit	(8,366,877)	387,246
Other interest receivable and similar income		
Other interest receivable	1,607	24,080

Piramal Critical Care Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021 (continued)

	2021 $	2020 $
Interest payable and similar charges		
Other interest payable	(5,932,333)	(7,351,482)
Interest payable to group undertakings	(245,714)	(2,193,980)
Net loss on derivative	165,838	(177,076)
	(6,012,209)	(9,722,538)
Net finance cost	(6,010,602)	(9,698,458)
Loss before tax	(14,377,479)	(9,311,212)

Registration number: 05370591

Piramal Healthcare UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

KNAV
Statutory Auditors
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Piramal Healthcare UK Limited

Contents

Piramal Healthcare UK Limited

Company Information

Directors	Mr T B Cooke Mr C Leahy Mr V Valsaraj Mr J Mclean Mr P D Deyoung
Company secretary	Mr C Leahy
Registered office	Whalton Road Morpeth Northumberland NE61 3YA
Auditors	KNAV Statutory Auditors Hygeia Building Ground Floor 66-68 College Road Harrow Middlesex HA1 1BE

Piramal Healthcare UK Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity
The principal activity of the company is that of distribution, manufacturing and packaging of chemical intermediates and finished products for the pharmaceutical industry.

Fair review of the business
The core strategy of the company remains the growth of the pharmaceutical contract development and manufacturing businesses at both the Morpeth and Grangemouth facilities, the former specialising in APIs and oral solids with Grangemouth having a niche capability in Antibody Drug Conjugation (ADC). Growth is achieved through securing and transferring new commercial products from the global customer base in addition to moving clinical programmes through the various stages of clinical trials towards commercial launch. The Company also develops and supplies a range of pharmaceutical products to global markets. These products are at various stages of the development cycle and for those products which have achieved regulatory approval, commercial sales are recognised in the accounts.

The profit for the year, after taxation, amounted to £3,776,810 (2020: £4,423,398).

	2021 £'000	2020 £'000	Change £'000
Turnover	73,014	80,827	(7,813)
Profit before tax	4,255	5,595	(1,340)
Head count	600	592	8

Key financial and non-financial performance indicators used to assess performance are turnover, profit and headcount. These are reported in the management accounts and reviewed by the Board and key stakeholders on a monthly basis.

Turnover was down 10% from £80.8m to £73.0m compared to 2020, mainly driven by some supply chain (COVID) related delays for key materials and components plus some plant operational challenges and product deviations. As a result of this, the company's profit before tax for the period reduced, however, this was offset by a one-time settlement gain relating to a US product launch. Headcount grew by eight during the year, due to normal operational requirements.

The Directors expect revenues and profit in 2022 to improve over 2021 due to a steady improvement in the above operating challenges, but also due to an improved order pipeline for the Grangemouth site for ADCs.

External debt (Loans and Borrowings less Cash at Bank and Invoice Financing Facilities) reduced from £12.5m in 2020 to £12.4 in 2021 as a result of the company’s cash management process.

Principal risks and uncertainties
The company, in conjunction with the ultimate parent company, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The policies set out by the board and agreed with the ultimate parent company are implemented by the company's directors.

The directors monitor performance through the production of management accounts on a monthly basis. Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include revenue, operating profits, earnings before interest tax and amortisation (EBITDA), working capital, customer service, cash flows from operating activities and headcount.

Risks considered by management include the following:

Credit risk
The company has implemented policies that require appropriate credit checks on customers before sales are made to minimise the risk of financial loss.

Liquidity risk
The company maintains sufficient funds and generates cash from operations to meet working capital requirements. The company has access to short term financing options with the bank and if required, finance facilities from fellow group undertakings. The company regularly monitors and reports compliance with bank covenants and undertakes regular cash flow forecasting in order to ensure working capital requirements are met.

Regulatory risk
The pharmaceutical industry in general is highly regulated both nationally and internationally. The company ensures adherence of these regulations and its supply chain is also encouraged to do the same.

Foreign exchange risk
The company has the risk of foreign currency fluctuations associated with U.S. Dollar and Euro dominated transactions both from the sale and purchases of products. This is monitored closely by management, however, due to a high portion of the business being naturally hedged, the company is not overly exposed to currency fluctuations.

Brexit Risk
The Company continues to monitor Brexit related developments and reviews this alongside other macroeconomic and geopolitical risks on a regular basis. The company specifically monitors how this could impact the sale and testing of pharmaceutical products from the UK to the EU. The company has taken a proactive approach in safeguarding themselves and their key stakeholders (e.g. customers, suppliers etc.) by setting up a quality control facility in the Netherlands to ensure and uninterrupted supply of products to customers.

Covid-19
The Covid-19 pandemic created a major disruptive influence on the economy and though the UK pharmaceutical industry was able to operate throughout, the company experienced some supply chain issues as a result of the pandemic. The company’s management is closely monitoring and collaborating with customers, manufacturing partners and logistics partners to ensure uninterrupted supply of products. It is expected that the demand for the company’s products will grow with ease of restrictions and the structure of the market will be broadly remain unaffected.

Piramal Healthcare UK Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Section 172(1) statement

The Directors are well aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:
- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company,

(the "s.172(1) Matters").

The following paragraphs summarise how the Directors' fulfil their duties:

1. Our strategic plans are designed to have a long-term beneficial impact on the company and the group at large.

2. Our employees are critical to the delivery of our plans. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

3. Our global suppliers are vital to our Supply Chain and ability to serve our customers. We value all of our suppliers as an extension of our enterprise, and have several multi-year contracts with our key suppliers to ensure that we maintain strong relationships with them and to provide continued high quality products to our customers. The directors recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values. The directors continuously monitor the impact of any decision taken, on their stakeholders, including suppliers, customers and others.

4. The Piramal group as a whole has core values of Knowledge, Action, Care & Impact which are embedded in the group and its subsidiaries. We support several social causes and provide high quality pharmaceutical products to multiple countries around the world.

5. As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours.

6. Communication with our shareholder is important for the Board. By maintaining dialogue with our shareholder, we aim to ensure that their views are heard and that our objectives are understood.

This report was approved by the Board on 11 May 2022 and signed on its behalf by:

....

Mr C Leahy

Director

Piramal Healthcare UK Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors of the company
The directors who held office during the year were as follows:

Mr T B Cooke (appointed 12 November 2021)

Mr C Leahy

Mr V Valsaraj

Mrs H I G Ogden (resigned 31 March 2021)

Mr Robert Ian Haxton (resigned 23 September 2021)

Mr J Mclean (appointed 16 April 2021)

Mr P D Deyoung

Results and dividends
The Company's financial results have been discussed in the Strategic Report. During the year no dividends have been paid or declared (2020: No dividends had been paid or declared).

Financial risk management
Objectives and policies

The directors make use of the ultimate parent company's risk management team to monitor and where possible mitigate the risks faced by the business. The Directors' have identified and included the Company's key risks and associated management policies in the Strategic Report on pages 2 & 3.

Employment of disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement
The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. The employees (or their representatives) are consulted regularly on a wide range of matters affecting their current and future interests.

Future developments
Please refer to the Strategic Report on page 2.

Research and development
The company is committed to a program of continued improvement of the existing product range; refer to note 13 for further details.

Statement of engagement with suppliers, customers and others in a business

Please refer to the Strategic Report on page 4.

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

The SECR disclosure presents Piramal Healthcare UK Limited carbon footprint across Scope 1, 2, and Scope 3 to some extent. This report also indicates an appropriate intensity metric, the total energy use of electricity, gas, and transport fuel. A summary of energy efficiency actions taken during the relevant financial year and the figures for the previous year are included as well.

Energy consumption used to calculate emissions	48,185,122	52,421,247	kWh
Emissions from combustion of gas (Scope 1)	5,039	5,038	tCO2e
Emissions from combustion of fuel for transport purposes (Scope 1)	11	18	tCO2e
Emissions from business travel in rental cars or employee-owned vehicles (Scope 3)	8	9	tCO2e
Emissions from purchased electricity (Scope 2, location-based)	4,372	5,806	tCO2e
Total gross tCO2e based on above	9,430	10,871	
Intensity ratio 1 (kgCO2e/sales revenue in £m)	0.1340	0.1453	
Intensity ratio 2 (tCO2e/number of employees)	16	18	

Energy efficiency action summary

In 2021, Piramal Healthcare UK Limited confirmed the continuous efforts to achieve direct and indirect savings in energy and associated carbon emissions through operational and technological improvements. Savings of approximately 1400 tCO2e in our carbon footprint in comparison to 2020 are attributable to the reduction of emissions from combustion of transport fuel and electricity consumption, partly due to the continuation of coronavirus restrictions. The reduction of electric power consumption is also correlated to the implementation of energy efficiency measures and to the enhancement of efficiency in the UK grid.

Further energy efficiency actions taken in the financial year 2021 include:

• Ongoing implementation of energy-saving LED lighting.
• Replacement of Chemical 1 Domestic Hot Water Calorifier.
• Replacement of Chemical 1 Process Hot Water Calorifier.
• Phase 1 FGAS 2020 Compliance Works - new energy-efficient air conditioning units.
• New Compressor to supply PSA System - currently it is being installed and the conclusion is planned to 2022.
• Replacement of 4 aged LEV's with inverter drive systems.
• Replacement of 6 aged motors with IE3 Motors.
• Upgrading BMS system with Schneider Eco Structure planned for 2022.

Methodology notes

Reporting Period	1st of January 2021 – 31st of December 2021
Boundary (consolidation approach)	Operational approach
Alignment with financial reporting	SECR disclosure has been prepared in line with Piramal Healthcare UK Limited's annual accounts made up to 31st December 2021.
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2021 for all emissions factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021
Conversion factor source	U. S. Energy Information Administration for diesel https://www.eia.gov/totalenergy/data/monthly/pdf/sec12_2.pdf EPA GHG Emission Factors Hub for natural gas and gasoline (petrol) https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub DEFRA Annual Average Retail prices for Oil Products https://www.gov.uk/government/statistical-data-sets/oil-and-petroleum-products-monthly-statistics DEFRA factor set for Gas Oil https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021 Vehicles Statistics Fuel Type (VEH0203) https://www.gov.uk/government/statistical-data-sets/veh02-licensed-cars
Calculation method	Activity Data x Emission Factor = GHG emissions & Activity Data x Conversion Factor = kWh consumption
Reason for the intensity measurement choice	Based on the nature of our business and following the recommendations of the SECR legislation, sales revenue was chosen as an intensity metric and reflects our business performance. We also chose the number of employees as a secondone, showing transparency and expressing the business's annual emissions in relation to a quantifiable factor.

Other relevant information on calculation	Where applicable consumption was converted to kWh using conversion factors linked above, while emissions were calculated with the DEFRA emission factors. When the type of engine was unknown, UK statistical data of fuel type was used for diesel and petrol. Transport fuel data was calculated from business mileage cost and converted to liters using DEFRA annual Average Retail prices for oil products. Transport data was calculated from liters to kWh and GHG emissions using the method above. Gas oil emissions were calculated from liters.
Rounding	Due to rounding there might be a minor difference compared to the actual GHG emissions (less than 1%).

Reappointment of auditors

The auditors KNAV are deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the Board on 11 May 2022 and signed on its behalf by:

....

Mr C Leahy

Director

Piramal Healthcare UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware.

Piramal Healthcare UK Limited

Independent Auditor's Report to the Members of Piramal Healthcare UK Limited

We have audited the financial statements of Piramal Healthcare UK Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditor's Report to the Members of Piramal Healthcare UK Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 9], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 ISAs (UK) 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.

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102, UK taxation legislation and the regulation around the pharmaceutical products sold by the company as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:
• enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
• examining supporting documents for all material balances, transactions and disclosures;
• review of the Board of directors minutes;
• enquiry of management and review and inspection of relevant correspondence with any legal firms;
• evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
• analytical procedures to identify any unusual or unexpected relationships;
• testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
• review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Piramal Healthcare UK Limited

Independent Auditor's Report to the Members of Piramal Healthcare UK Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

....

Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

11 May 2022

Piramal Healthcare UK Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	72,632,421	80,826,741
Cost of sales		(38,132,591)	(34,873,554)
Gross profit		34,499,830	45,953,187
Distribution costs		(1,043,780)	(632,612)
Administration expenses		(44,515,724)	(43,931,125)
Other operating income	4	15,833,416	4,594,668
Operating profit	5	4,773,742	5,984,118
Other interest receivable and similar income	6	-	10,651
Interest payable and similar expenses	7	(518,642)	(400,142)
Profit before tax		4,255,100	5,594,627
Taxation	11	(478,290)	(1,171,229)
Profit for the financial year		3,776,810	4,423,398

Piramal Healthcare UK Limited

(Registration number: 05370591)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	18,544,401	18,981,773
Tangible assets	13	44,631,991	38,344,038
		63,176,392	57,325,811
Current assets			
Stocks	15	26,123,228	25,423,439
Debtors due within one year	16	22,924,320	26,854,356
Debtors due after more than one year	16	7,328,848	6,289,661
Cash at bank and in hand	17	8,710,081	3,833,854
		65,086,477	62,401,310
Creditors: Amounts falling due within one year	18	(45,387,940)	(44,683,706)
Net current assets		19,698,537	17,717,604
Total assets less current liabilities		82,874,929	75,043,415
Creditors: Amounts falling due after more than one year	18	(15,014,892)	(10,960,188)
Net assets		67,860,037	64,083,227
Capital and reserves			
Called up share capital	20	23,232,501	23,232,501
Profit and loss account		44,627,536	40,850,726
Total equity		67,860,037	64,083,227

The financial statements were approved and authorised for issue by the Board on 11 May 2022 and signed on its behalf by:

....

Mr C Leahy

Director

Piramal Healthcare UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Retained earnings £	Total £
At 1 January 2020	23,232,501	36,427,328	59,659,829
Profit for the year	-	4,423,398	4,423,398
Total comprehensive income	-	4,423,398	4,423,398
At 31 December 2020	23,232,501	40,850,726	64,083,227

	Share capital £	Retained earnings £	Total £
At 1 January 2021	23,232,501	40,850,726	64,083,227
Profit for the year	-	3,776,810	3,776,810
Total comprehensive income	-	3,776,810	3,776,810
At 31 December 2021	23,232,501	44,627,536	67,860,037

Share capital: This represents the nominal value of equity shares in issue.

Retained earnings: This represents the accumulated profits and losses since inception of the business.

1 General information

The principal activity of the company is that of distribution, manufacturing and packaging of chemical intermediates and finished products for the pharmaceutical industry.

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:
Whalton Road
Morpeth
Northumberland
NE61 3YA
United Kingdom

These financial statements were authorised for issue by the Board on 11 May 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

Basis of preparation
These financial statements are prepared on a going concern basis, under the historical cost convention

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, Piramal Enterprises Limited, includes these in its own consolidated financial statements:

• the requirement to prepare a statement of cash flows;
• certain financial instrument disclosures;
• from disclosing the company key management personnel compensation.

The functional and presentational currency is Pound Sterling (£), being the currency of the primary economic environment in which the company operates in.

Exemption from preparing group accounts
The company has taken advantage of Section 405(2) of the Companies Act 2006 and is not required to produce, and has not published consolidated accounts, as its subsidiary undertaking is dormant and the effect of consolidating would be immaterial. The financial statements therefore contain information about Piramal Healthcare UK Limited as an individual company and not about its group.

2 Accounting policies (continued)

Name of ultimate parent of group
These financial statements are consolidated in the financial statements of Piramal Enterprises Limited.

The financial statements of Piramal Enterprises Limited may be obtained from:

Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction,
LBS Marg, Kurla (West),
Mumbai –400 070
India.

Also available from: www.piramal.com

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/vat added tax, returns, rebates and discounts.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. The specific recognition criteria described below must also be met before turnover is recognised.

Sale of goods
Turnover is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, either at the point of despatch, receipt, or another point determined by the commercial agreement and international commercial terms adopted for a particular sale. For goods sold under profit sharing arrangements, turnover is recognised on a quarterly basis in line with the contractual agreements in place.

Sale of development services
Turnover is based on previously agreed contractual terms with customers and is recognised on the achievement of agreed milestones outlined in the contract.

Government grants and other contributions
Government grants and other contributions received on tangible capital expenditure are credited to a deferred income account and are released to the profit and loss account over the useful economic lives of the relevant assets or over the life of the commercial contract in place for a particular asset once they are put to use. The company has applied the accrual model.

For contributions received towards the development of pharmaceutical products, the Company has also adopted the accruals model and is releasing this to the profit and loss in a similar manner, as mentioned above.

2 Accounting policies (continued)

Other income

Other income also includes provisions made for Research and Development expenditure credits receivable from HM Revenue & Customs. This has been recognised to the extent where management are reasonably certain that the claim will be accepted by HM Revenue & Customs and the amount provided for is based on management's best estimate and workings that are in line with previously accepted claims by HM Revenue & Customs.

Functional and presentational currency

The company's functional and presentational currency is UK Sterling.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Buildings	Straight line over 10 years and 33 years
Plant and machinery	Straight line over 5 years, 10 years and 12 years, depending on the use or commercial contract in place for a particular asset

Land and assets in the course of construction are stated at cost and are not depreciated. Assets in the course of construction are depreciated only once they become available for use.

The carrying values of tangible fixed assets are reviewed annually (at the period end) for impairment or earlier if there is a change in circumstances, that indicate the carrying value of the asset may no longer be recoverable.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Intangible assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be reliably measured on initial recognition. Intangible assets are amortised on a straight line basis over their estimated useful economic lives. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

2 Accounting policies (continued)

Research and development
Expenditure on research activities are undertaken with the prospect of gaining new scientific or technical knowledge and understanding. These are recognised as an expense in the profit and loss as and when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:
• development costs can be measured reliably;
• the product or process is technically and commercially feasible;
• future economic benefits are probable; and
• the company intends to and has sufficient resources (financial, technical and others) to complete development and to use or sell the asset.

The expenditure to be capitalised includes the cost of labour, materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures that do not meet these criteria are recognised as an expense in the profit and loss as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied as they would be for separately acquired intangible assets.

Research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable or the costs being capitalised no longer meet the recognition criteria set out above. Any such charge on IPR&D assets are recognised in profit or loss.

IPR&D assets are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

Amortisation is recognised on a straight-line basis over 5 years or (if shorter) the life of the commercial agreement in place for that product, once it is available for commercial use. Intangible assets that are not available for commercial use are amortised from the date they are available for commercial use.

Any changes in the estimated useful life and the amortisation method for intangible assets with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes being accounted for on a prospective basis.

Investments
Investments in equity shares in subsidiary undertakings, which are not publicly traded and where fair value cannot be measured reliably, are measured at cost less accumulated impairment.

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of raw materials is determined by using moving average prices. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Capital spares

Capital spares are those major spare parts purchased specifically for plant and machinery and are expected to be used over more than one accounting period; these are capitalised as plant and machinery. If they are not expected to be used over more than one period, the spare parts are recognised as stock. Capital spares are fully depreciated once the spare part is put into use.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Provisions

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 an 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.

2 Accounting policies (continued)

Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2 Accounting policies (continued)

Defined benefit pension obligation
The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the plan assets at the reporting date less the fair value of the defined benefit obligation at the end of the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments (‘discount rate’).

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company’s policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability’.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

(a) the increase in pension benefit liability arising from employee service during the period; and
(b) the cost of plan introductions, benefit changes, curtailments and settlements.

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 recognised in profit or loss as 'Finance expense’.

2 Accounting policies (continued)

Financial instruments

Classification

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Recognition and measurement

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out-right short term loan not at a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Impairment

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss if recognised in the Profit and loss account.

For financial assets measured as amortised cost, the impairment loss is measured as the difference between an asset’s carrying amount and the present value of estimated cash flows discounted at the asset’s original effective interest rate. If a financial asset has a variable interest rate, the discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	45,331,490	62,972,541
Rendering of services	27,300,931	17,854,200
	72,632,421	80,826,741

The analysis of the company's turnover for the year by market is as follows:

3 Turnover (continued)

	2021 £	2020 £
UK	43,921,517	6,770,987
Europe	2,809,485	36,948,475
Rest of world	25,901,419	37,107,279
	72,632,421	80,826,741

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £	2020 £
Government grants and other subsidies	3,438,872	3,809,030
Other income	11,990,666	216,954
Research and development expenditure credit	403,878	568,684
	15,833,416	4,594,668

Other income in the current year represents a one-time settlement gain relating to a US product launch.

5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	5,696,478	5,424,930
Amortisation expense	2,487,385	1,637,709
Foreign exchange gains	(1,996,180)	(987,117)
Operating lease expense - plant and machinery	231,104	83,027
Operating lease expense - other	352,998	356,835
Loss on disposal of property, plant and equipment	-	18,646

6 Other interest receivable and similar income

	2021 £	2020 £
Interest receivable from fellow group undertakings	-	10,651

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	343,787	237,286
Interest payable to fellow group undertakings	174,855	162,856
	518,642	400,142

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	25,057,471	25,625,849
Social security costs	2,327,655	2,291,830
Pension costs	1,825,245	1,831,324
Other employee expense	330,007	277,913
	29,540,378	30,026,916

The average monthly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Production	423	443
Administration and support	113	107
Research and development	41	35
Sales, marketing and distribution	5	7
	582	592

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	767,193	613,997
Contributions paid to money purchase schemes	28,011	40,605
	795,204	654,602

Directors' remuneration includes contributions to private healthcare schemes.

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	300,800	224,000
Company contributions to money purchase pension schemes	-	14,924

10 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	57,500	57,500

Other fees to auditors

	2021 £	2020 £
Audit-related assurance services	40,500	46,500
All other non-audit services	2,500	3,750
	43,000	50,250

11 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	93,290	-
UK corporation tax adjustment to prior periods	-	(178,662)
	93,290	(178,662)
Deferred taxation		
Arising from write-down or reversal of write-down of deferred tax asset	385,000	1,349,891
Tax expense in the income statement	478,290	1,171,229

11 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	4,255,100	5,594,627
Corporation tax at standard rate	808,469	1,062,979
Effect of expense not deductible in determining taxable profit	14,983	35,382
Effect of adjustment in research and development tax credit	(399,505)	(108,050)
Tax increase/(decrease) from effect of capital allowances and depreciation	80,263	(711,217)
Deferred tax asset utilised in the period	385,000	1,349,891
Deferred tax asset recognised in the period	(472,901)	-
Tax decrease from effect of change in accounting policy	-	(514,891)
Other tax effects for reconciliation between accounting profit and tax expense	61,981	57,135
Total tax charge	478,290	1,171,229

Deferred tax

Deferred tax assets and liabilities

2021	Asset £	Liability £
Unutilised losses carried forward	2,599,928	-
Fixed asset timing differences	-	629,509
	2,599,928	629,509

2020	Asset £
Unutilised losses carried forward	1,971,000
Fixed asset timing differences	384,000
	2,355,000

11 Taxation (continued)

The company has tax losses of £9,646,396 (2020: £10,375,387) carried forward for use against future profits of the same trade, plus non trade loan relationship debits of £843,848 (2020: £843,848) carried forward for use against future non-trading activities. A deferred tax asset in respect of tax losses has been recognised as the directors consider it is more likely than not that there will be suitable taxable profits arising from which the future reversal of the underlying timing differences can be deducted. Further, these tax losses are available indefinitely. In addition to this, the company also expects to be able to claim capital allowances in excess of depreciation in future years.

Deferred tax assets of £210,962 (2020: £160,331) have not been recognised as they do not meet the recognition criteria of FRS 102.

The tax written down value of eligible capital expenditure is lower than the net book value of these items in the financial statements by £2,518,034 (2020: The tax written down value of eligible capital expenditure is higher than the net book value of these items in the financial statements by£2,023,195). A deferred tax liability (2020: deferred tax asset) has been recognised on the timing differences arising between the net book value of eligible assets per the financial statements and the tax written down value of these assets for tax purposes.

12 Intangible assets

	Products developed and in commercial use £	Products under development £	Total £
Cost			
At 1 January 2021	11,507,417	9,619,016	21,126,433
Additions	-	2,558,940	2,558,940
Additions acquired separately	187,073	-	187,073
Transfers	2,592,994	(2,592,994)	-
Other adjustments	(424,000)	(272,000)	(696,000)
At 31 December 2021	13,863,484	9,312,962	23,176,446
Amortisation			
At 1 January 2021	2,144,660	-	2,144,660
Amortisation charge	2,487,385	-	2,487,385
At 31 December 2021	4,632,045	-	4,632,045
Carrying amount			
At 31 December 2021	9,231,439	9,312,962	18,544,401
At 31 December 2020	9,362,757	9,619,016	18,981,773

• Products under development consist of qualifying expenditure incurred by the Company on the external development of pharmaceutical products which, once completed and regulatory approval is achieved, will be available for commercial use. Once development is completed and regulatory approval is achieved, the gross carrying amount of the product developed is transferred to "Products developed and in commercial use".

• Products included under "Products developed and in commercial use" are amortised over 5 years or (if shorter) the life of the commercial agreement (with a marketing partner) for that product.

• The company have reviewed the costs attributed to the "Products developed and in commercial use" and "Products under development" and have assessed that certain expenditure previously incurred should be expensed to the profit and loss account. This movement has been reflected as "other adjustments".

13 Tangible assets

	Land and buildings £	Plant and machinery £	Plant & Machinery under construction £	Total £
Cost or valuation				
At 1 January 2021	10,683,024	48,986,460	4,814,917	64,484,401
Additions	-	98,350	11,886,081	11,984,431
Transfers	-	4,293,364	(4,293,364)	-
At 31 December 2021	10,683,024	53,378,174	12,407,634	76,468,832
Depreciation				
At 1 January 2021	1,602,039	24,538,324	-	26,140,363
Charge for the year	350,616	5,345,862	-	5,696,478
At 31 December 2021	1,952,655	29,884,186	-	31,836,841
Carrying amount				
At 31 December 2021	8,730,369	23,493,988	12,407,634	44,631,991
At 31 December 2020	9,080,985	24,448,136	4,814,917	38,344,038

Included within the net book value of land and buildings above is £8,510,862 (2020: £8,853,122) in respect of freehold land and buildings. The value of land included of £7,435,778 (2020: £7,435,778) is not subject to depreciation.

The net carrying amount of assets held under finance leases included in plant & machinery is £933,509.25 (2020: £114,263)

14 Investments

Unquoted investments	£
Cost	
At 1 January 2021	1
Provision	
At 1 January 2021	1
Carrying amount	
At 31 December 2021	-
At 31 December 2020	-

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2021	2020
Piramal Healthcare Pension Trustees Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA England, UK	Ordinary shares	100%	100%

Piramal Healthcare Pension Trustees Limited is a dormant company.

15 Stocks

	2021 £	2020 £
Raw materials and consumables	13,665,475	12,033,979
Work in progress	9,291,635	12,668,764
Finished goods and goods for resale	3,166,118	720,696
	26,123,228	25,423,439

16 Debtors

Due within one year	Note	2021 £	2020 £
Trade debtors		13,742,690	18,348,448
Amounts owed by fellow group undertakings	26	614,457	157,923
Other debtors		11,421,974	8,925,343
Prepayments		1,116,569	2,308,094
Accrued income		824,271	301,863
Deferred tax assets	11	1,970,000	2,355,000
Corporation tax recoverable	11	563,207	747,346
		30,253,168	33,144,017

Other debtors includes £7,328,848 (2020: £6,289,661) being recoverable after more than one year. Corporation tax recoverable is represented by amounts to be recovered from payments made by the company previously, as a result of changes made to prior periods' tax liability.

17 Cash at bank and in hand

	2021 £	2020 £
Cash on hand	381	381
Cash at bank	8,709,700	3,833,473
	8,710,081	3,833,854

18 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	21	12,381,124	12,511,928
Trade creditors		4,006,776	5,107,907
Amounts due to fellow group undertakings	26	12,810,246	9,347,477
Social security and other taxes		605,860	612,744
Other payables		168,874	197,354
Accrued expenses		7,430,420	8,324,489
HP and finance lease liabilities		247,706	37,059
Deferred income		7,736,934	8,544,748
		45,387,940	44,683,706
Due after one year			
Deferred income		14,499,824	10,885,057
HP and finance lease liabilities		515,068	75,131
		15,014,892	10,960,188

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,825,245 (2020: £1,831,324).

Defined benefit pension schemes

The company sponsors a funded defined benefit pension scheme for qualifying UK employees, the Piramal Healthcare UK Pension Fund. The fund is a funded scheme of the defined benefit (“DB”) type (predominantly providing retirement benefits based on final salary). It also has defined contribution (“DC”) sections and the amounts shown in these disclosures exclude the DC accounts and cashflows relating to the 2006 IA and Post-2002 IA members. The DB section of the fund was closed to accrual with effect from 15 November 2017.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Fund was carried out by a qualified actuary as at 31 December 2020 and showed a surplus of £10.1M. As such, the company is not currently required to make regular employer contributions to the DB Section. Additional employer contributions might be required if there are any redundancies or benefit augmentations during the year. The next funding valuation is due no later than 31 December 2023.

The results of the latest funding valuation at 31 December 2020 have been adjusted to the new balance sheet date, taking account of experience over the period since 31 December 2020, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the Defined Benefit Obligation, has been measured using the projected unit credit method.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £Nil (2020: £Nil).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £468,000 (2020: £532,000).

As at 31 December 2021, the fund had a surplus of £27,748,000 (2020: £17,194,000), however, the directors are concerned that it is unlikely that the surplus could be used to finance DC members' contributions indefinitely (for example, surplus could instead be used to fund the insurance buy-out cost of the DB Section with an insurer) and the company is currently considering moving the DC sections out of the Trust. Noting the accounting principle of prudence, the Company has therefore decided to recognise the surplus under FRS102 in a consistent way with the surplus treatment agreed in prior years under FRS 17. As a result of the company no longer paying contributions to the fund (following closure to accrual) and no refund of surplus has been agreed with the trustees, £Nil (2020: £Nil) of the total surplus was deemed to be recoverable.

19 Pension and other schemes (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2021 £	2020 £
Fair value of scheme assets	89,486,000	87,107,000
Present value of defined benefit obligation	(61,738,000)	(69,913,000)
	27,748,000	17,194,000
Other amounts not recognised in the balance sheet	(27,748,000)	(17,194,000)
Defined benefit pension scheme surplus/(deficit)	-	-

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2021 £
Present value at start of year	69,913,000
Interest cost	961,000
Actuarial gains and losses	(6,076,000)
Benefits paid	(3,060,000)
Present value at end of year	61,738,000

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £
Fair value at start of year	87,107,000
Interest income	1,198,000
Return on plan assets, excluding amounts included in interest income/(expense)	4,709,000
Net benefits paid	(3,060,000)
Administration cost incurred	(468,000)
Fair value at end of year	89,486,000

19 Pension and other schemes (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2021 £	2020 £
Multi-strategy Growth Fund	13,223,000	27,974,000
Liability Driven Investment (LDI)	28,819,000	31,773,000
Low Risk Bond Fund	12,986,000	7,346,000
Cash/net current assets	17,866,000	2,085,000
Hayfin Direct Lending Fund	16,592,000	17,929,000
	89,486,000	87,107,000

None of the Fund assets are invested in the company’s financial instruments or in property occupied by, or other assets used by, the company. Note that the Multi-strategy Growth Fund is based on the 30 November 2021 (2020) valuation adjusted for December performance estimate and the Hayfin Direct Lending Fund is based on the 30 September 2021 (2020) valuation adjusted for net cashflows to 31 December 2021 (2020).

Return on scheme assets

	2021 £	2020 £
Return on scheme assets	5,907,000	11,047,000

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2021 %	2020 %
Discount rate	1.95	1.40
Future pension increases	3.10	2.80
RPI inflation	3.20	2.85

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for expected future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 26 years (2020: 25.8 years) if they are male and for a further 27.4 years (2020: 27.3 years) if they are female.

20 Share capital

Issued, allotted, called up and fully paid shares

	2021		2020	
	No.	**£**	**No.**	**£**
Ordinary shares of £1 each	23,232,501	23,232,501	23,232,501	23,232,501

21 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank overdrafts (a)	6,709,207	6,247,023
Other borrowings (b)	5,671,917	6,264,905
	12,381,124	12,511,928

(a) Bank overdraft of £6,709,207 (2020: £6,247,023) is secured by fixed charge over the freehold and leasehold property of the company. The charge contains a negative pledge. In addition the ultimate parent company, Piramal Enterprises Limited has provided a guarantee to the bank.

(b) Other borrowings represent the invoice financing facility which is secured by a fixed and floating charge over the freehold and leasehold property and all other assets owned by the company.

22 Obligations under leases

Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	247,706	37,059
Later than one year and not later than five years	515,068	75,131
	762,774	112,190

22 Obligations under leases (continued)

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	185,272	322,014
Later than one year and not later than five years	399,425	537,427
Later than five years	291,672	375,007
	876,369	1,234,448

23 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £3,638,073 (2020: £4,285,555).

24 Contingent liabilities

At the balance sheet date the following contingent liabilities existed:

Guarantee by the bank in favour of HM Revenue & Customs for £703,790 (2020: £703,790) and guarantee by the bank in favour of HSBC Bank USA N.A. for $2,000,000 (2020: $2,000,000) towards the overdraft facility taken by a fellow group undertaking.

25 Parent and ultimate parent undertaking

The company's immediate parent is Piramal Dutch Holdings N.V, incorporated in Netherlands.

The ultimate parent is Piramal Enterprises Limited, incorporated in India.

The parent of the largest and smallest group for which group accounts including Piramal Healthcare UK Limited are drawn up is Piramal Enterprises Limited. These financial statements are available upon request from

Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction,
LBS Marg, Kurla (West),
Mumbai –400 070
India.

Also available from: www.piramal.com

There is no one controlling party.

26 Related party transactions

Transactions with fellow group undertakings

The company has taken advantage of the exemptions available in FRS 102 from disclosing related party transactions with other companies that are wholly owned within the group.

Amounts due to fellow group undertakings includes an unsecured loan of £3,137,366 (2020: £2,749,699), part of which bears interest at 5.25% (reducing from 6.5% part way through the year) and part of which bears interest at 4.15%.

During the year the company incurred royalty charges from Piramal Corporate Services Limited, an entity controlled by members of the Key Management Personnel of Piramal Enterprises Limited (the ultimate parent company), amounting to £516,536.37 (2020: £304,019). At the year-end £329,814 (2020: £72,379) was outstanding and included in amounts due to fellow group undertakings. The amounts payable are unsecured and interest free.

Piramal Healthcare UK Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021

	2021 £	2020 £
Turnover (analysed below)	72,632,421	80,826,741
Cost of sales (analysed below)	(38,132,591)	(34,873,554)
Gross profit	34,499,830	45,953,187
Gross profit (%)	47.5%	56.85%
Distribution costs (analysed below)	(1,043,780)	(632,612)
Administrative expenses		
Employment costs (analysed below)	(22,681,222)	(22,004,002)
Establishment costs (analysed below)	(7,218,283)	(8,048,316)
General administrative expenses (analysed below)	(6,326,583)	(6,639,304)
Finance charges (analysed below)	(105,773)	(158,218)
Depreciation costs (analysed below)	(8,183,863)	(7,062,639)
Other expenses (analysed below)	-	(18,646)
	(44,515,724)	(43,931,125)
Administration expenses - exceptional		
	-	-
Other operating income (analysed below)	15,833,416	4,594,668
Operating profit	4,773,742	5,984,118
Other interest receivable and similar income (analysed below)	-	10,651
Interest payable and similar charges (analysed below)	(518,642)	(400,142)
	(518,642)	(389,491)
Profit before tax	4,255,100	5,594,627

Piramal Healthcare UK Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021 (continued)

	2021 £	2020 £
Turnover		
Sale of goods, UK	(44,303,517)	(5,212,526)
Rendering of services, UK	382,000	(1,558,461)
Sale of goods, Europe	-	(36,402,138)
Rendering of services, Europe	(2,809,485)	(546,337)
Sale of goods, rest of world	(1,027,973)	(21,357,877)
Rendering of services, rest of world	(24,873,446)	(15,749,402)
	(72,632,421)	(80,826,741)
Cost of sales		
Opening raw materials	12,033,978	12,221,568
Opening work in progress	12,668,764	9,909,912
Opening finished goods	720,696	501,130
Purchases	28,223,474	26,926,377
Closing raw materials	(13,645,131)	(12,033,980)
Closing work in progress	(9,291,635)	(12,668,763)
Closing finished goods	(3,166,119)	(720,696)
Wages and salaries (excluding directors)	6,881,690	7,089,997
Staff NIC (Employers)	383,152	681,438
Staff pensions (Defined contribution)	91,148	545,803
Commissions payable	3,650	-
Other direct expenses	3,228,924	2,420,768
	38,132,591	34,873,554
Distribution costs		
Freight and carriage	1,043,780	632,612
Employment costs		
Wages and salaries	17,408,588	17,921,855
Staff NIC (Employers)	1,845,228	1,534,150
Directors remuneration	767,193	613,997
Directors NIC (Employers)	99,275	76,242
Staff pensions (Defined contribution)	1,706,086	1,244,916
Directors pensions (Defined contribution)	28,011	40,605
Subcontract cost	496,834	294,324
Staff training	165,899	103,023
Staff welfare	164,108	174,890
	22,681,222	22,004,002

Piramal Healthcare UK Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021 (continued)

	2021 £	2020 £
Establishment costs		
Canteen	-	381,075
Rates	898,931	825,879
Light, heat and power	3,015,465	2,936,635
Insurance	1,223,904	741,482
Repairs and maintenance	2,079,983	3,163,245
	7,218,283	8,048,316
General administrative expenses		
Office expenses	2,618	2,232
Computer software and maintenance costs	252,441	572,561
Artwork, printing, postage and stationery	187,342	175,999
Laboratory Consumables	309,861	568,939
Trade subscriptions	29,123	27,225
Hire of plant and machinery (Operating leases)	98,866	124,396
Hire of other assets (Operating leases)	352,998	356,835
Lease of motor vehicles (Operating leases)	231,104	83,027
Sundry expenses	35,912	339
Waste disposal, Environmental and cleaning	1,481,705	1,387,965
Other adjustments to intangibles	696,000	-
Motor expenses	33,374	111,159
Advertising	5,079	10,301
Customer entertaining (disallowable for tax)	23,780	45,258
Auditor's remuneration - The audit of the company's annual accounts	57,500	57,500
Auditor's remuneration - Other services pursuant to legislation	40,500	46,500
Auditors' remuneration - non audit work	2,500	3,750
Service charges	1,511,391	1,284,883
Legal and professional fees	2,255,109	2,489,209
Royalties payable	516,537	304,019
Bad debts written off	199,023	(25,676)
Foreign currency (gains)/losses - operating expense	(1,996,180)	(987,117)
	6,326,583	6,639,304
Finance charges		
Bank charges	105,773	158,218

Piramal Healthcare UK Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2021 (continued)

	2021 £	2020 £
Amortisation & Depreciation costs		
Amortisation of development costs	2,487,385	1,637,709
Depreciation of freehold property	350,616	350,194
Depreciation of plant and machinery (owned)	5,345,862	5,074,736
	8,183,863	7,062,639
Other expenses		
(Profit)/loss on disposal of tangible fixed assets	-	18,646
Other operating income		
Other income	(11,990,666)	(216,954)
Government grants and other subsidies	(3,438,872)	(3,809,030)
Research and development expenditure credit	(403,878)	(568,684)
	(15,833,416)	(4,594,668)
Other interest receivable and similar income		
Interest receivable from fellow group undertakings	-	10,651
Interest payable and similar expenses		
Bank interest payable	343,787	237,286
Interest payable to group undertakings	174,855	162,856
	518,642	400,142

Piramal Healthcare (Canada) Limited
Financial statements
December 31, 2021, and December 31, 2020

KNAV Professional Corporation
Chartered Professional Accountants
55 York Street, Suite 401, Toronto Ontario M5J 1R7

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Independent auditor's report

To the Shareholder of Piramal Healthcare (Canada) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Piramal Healthcare (Canada) Limited ("the Company") which comprise the statements of financial position as at December 31, 2021 and December 31, 2020 and the related statements of operations, cash flows and changes in shareholder's equity for the years then ended and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Piramal Healthcare (Canada) Limited as at December 31, 2021 and December 31, 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis of opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. 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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

1. 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.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

4. 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.

5. 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.

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 audits.

KNAV Professional Corporation

KNAV Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario
55 York Street, Suite 401,
Toronto Ontario M5J 1R7
Date: May 19, 2022

Financial statements

Piramal Healthcare (Canada) Limited
Financial Statements
December 31, 2021, and December 31, 2020

Statements of financial position

(All amounts are stated in CAD unless otherwise stated)

	Notes		As at December 31, 2021	December 31, 2020
ASSETS				
Current assets				
Cash and cash equivalents	4		2,701,705	11,866,977
Trade and other accounts receivable	5		9,750,523	5,069,420
Unbilled revenue	14		2,712,034	3,383,607
Inventories	6		8,107,805	5,981,637
Prepaid and other current assets			4,406,757	3,848,396
Related party loans	8		19,747,618	19,794,182
Total current assets		$	**47,426,442**	**49,944,219**
Non-current assets				
Deferred tax asset	16		36,973,924	32,463,014
Long-term receivables and other assets	7		10	10
Capital advances			30,844	1,909,550
Property, plant, and equipment	9		39,987,208	19,339,114
Total non-current assets		$	**76,991,986**	**53,711,688**
Total assets		$	124,418,428	103,655,907
LIABILITIES				
Current liabilities				
Trade and other payables	10		3,487,490	2,513,513
Deferred revenue	14		4,054,842	843,347
Provisions	11		3,741,277	1,965,911
Total current liabilities		$	**11,283,609**	**5,322,771**
Non – current liabilities				
Long -term provisions	11		14,030	14,061
Total non-current liabilities			**14,030**	**14,061**
Total liabilities		$	**11,297,639**	**5,336,832**
Shareholder's equity				
Common shares	12		32,385,913	32,385,913
Capital reserve	13		7,928,161	7,928,161
Accumulated surplus			72,806,715	58,005,001
Total shareholder's equity		$	**113,120,789**	**98,319,075**
Total liabilities and shareholder's equity		$	124,418,428	103,655,907

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD:

Director: Wayne Brownell

Director:

Piramal Healthcare (Canada) Limited
Financial Statements
December 31, 2021, and December 31, 2020

Statements of operations

(All amounts are stated in CAD unless otherwise stated)	Notes		For the year ended December 31, 2021	December 31, 2020
Revenue from contract with customers				
Research and development contracts	14		30,151,446	31,865,886
Sale of manufactured products	14		16,999,408	18,704,876
Total		$	**47,150,854**	**50,570,762**
Cost of production			4,124,710	6,160,565
Gross profit		$	**43,026,144**	**44,410,197**
Expenses				
Salaries and employee benefits			20,639,615	18,153,273
Depreciation	9		1,599,968	1,465,807
Selling, distribution and administration			4,163,353	3,487,087
Other expenses			6,159,982	5,481,207
Recognition of investment tax credits	16		(3,053,520)	(7,020,105)
Total operating expenses		$	**29,509,398**	**21,567,269**
Profits from operations		$	**13,516,746**	**22,842,928**
Finance income			977,028	979,335
Other non-operating income			191,988	1,156,284
Foreign exchange loss			(593,808)	(1,289,373)
Profit before income tax			**14,091,954**	**23,689,174**
Current income tax expense	16		3,801,150	7,798,300
Deferred tax benefit	16		(4,510,910)	(11,330,634)
Profit after income taxes		$	**14,801,714**	**27,221,508**
Total net profit for the year		$	**14,801,714**	**27,221,508**
Total net profit attributable to:				
Shareholder of the Company			14,801,714	27,221,508
Total profit for the year		$	**14,801,714**	**27,221,508**
Earnings per share				
Basic and diluted earnings per common share	17		**540.05**	**993.20**

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD:

Director: Wayne Brownell

Director:

Statements of cash flows

(All amounts are stated in CAD unless otherwise stated)		For the year ended December 31, 2021	For the year ended December 31, 2020
Cash flows from operating activities			
Net profit	$	**14,801,714**	**27,221,508**
Adjustments for:			
Depreciation		1,599,968	1,465,807
Provision for inventories		(676,833)	234,889
Unrealized foreign exchange loss (gain)		81,026	1,178,568
Interest income on related party loan		(972,997)	(998,402)
Fixed assets written off		-	1,103
Expected credit loss for trade receivables		3,055	-
Future tax benefit		(4,510,910)	(11,330,634)
	$	**10,325,023**	**17,772,839**
Net change in non-cash operating working capital			
Trade and other accounts receivable		(4,470,855)	4,305,357
Unbilled revenue		671,573	(2,857,008)
Inventories		(1,449,335)	672,210
Prepaid and other current assets		(212,054)	(761,872)
Trade and other payables		973,977	106,283
Provisions		1,817,650	(357,976)
Deferred revenue		3,211,495	(816,055)
Net cash flows provided by operating activities for the year - A	$	**10,867,474**	**18,063,778**
Cash flows from investing activities			
Purchase of property, plant and equipment and capital advances		(20,369,355)	(10,459,549)
Disposal of assets		-	81,525
Loan to related party		-	(7,341,160)
Proceeds from repayment of related party loan		-	4,962,636
Interest received on related party loans		629,100	4,897
Net cash flows used in investing activities for the year – B	$	**(19,740,255)**	**(12,751,651)**
Net foreign exchange difference on cash and cash equivalents – C		(292,491)	(543,062)
Net (decrease) increase in cash and cash equivalents (A + B + C)	$	**(9,165,272)**	**4,769,065**
Cash at beginning of year		11,866,977	7,097,912
Cash at end of year (Refer Note 4)	$	**2,701,705**	**11,866,977**

(See accompanying notes to the financial statements)

Statements of changes in shareholder's equity
For the years ended December 31, 2021, and December 31, 2020

(All amounts in CAD Dollars, except for number of shares)

Particulars	Common shares		Capital reserve	Accumulated surplus	Total equity
	Shares	Value			
Balance as of January 01, 2020	**27,408**	**32,385,913**	**7,928,161**	**30,783,493**	**71,097,567**
Net profit for the year	-	-	-	27,221,508	**27,221,508**
Balance as of December 31, 2020	**27,408**	**32,385,913**	**7,928,161**	**58,005,001**	**98,319,075**
Balance as of January 01, 2021	**27,408**	**32,385,913**	**7,928,161**	**58,005,001**	**98,319,075**
Net profit for the year	-	-	-	14,801,714	**14,801,714**
Balance as of December 31, 2021	**27,408**	**32,385,913**	**7,928,161**	**72,806,715**	**113,120,789**

(See accompanying notes to the financial statements)

Notes to the financial statements

NOTE 1 - NATURE OF BUSINESS

Piramal Healthcare (Canada) Limited ("PHCL" or "the Company") was incorporated under the Canada Business Corporations Act. On March 22, 2016. Piramal Holdings (Suisse) SA transferred its investments in PHCL to Piramal Dutch Holdings N.V. Piramal Enterprises Limited ("PEL") is the ultimate parent company of PHCL and is a public listed company on stock exchanges in India. The Company's primary business is to supply pre-clinical, clinical, and commercial applications to the pharmaceutical industry. The Company is located at Aurora in Ontario, Canada.

NOTE 2 - BASIS OF PREPARATION

Fiscal year

These financial statements of the Company are presented for the calendar years ended December 31, 2021, and December 31, 2020.

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issuance by the Board of Directors as on May 4, 2022.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The Company's functional and presentation currency is Canadian dollars.

Use of estimates and judgements

The preparation of these financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from such estimates.

Management bases the estimates on a number of factors, including historical experience, current events, and actions that the Company may undertake in the future and other assumptions that the Company believes are reasonable under the circumstances. Estimates are used in accounting for items and matters such as revenues, expected credit loss allowance, allowance for obsolete inventory, useful lives of property, plant and equipment and intangible assets, legal and tax contingencies, compensation cost for stock appreciation rights and income taxes. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Revenue from contracts with customers: The Management applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers such as identifying performance obligations, estimating relative standalone selling price of items not sold separately, and determining timing of satisfaction of performance obligations for revenue from research and development contracts.

ii. Income taxes: Management uses estimates when determining current and deferred income taxes. These estimates are used to determine the recoverability of tax loss carry forward amounts, research and development expenditures and investment tax credits.

iii. Fair value measurement:

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Company's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted).
- Level 2: Observable direct or indirect inputs other than Level 1 inputs.
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The Company's financial instruments consist of cash and cash equivalents, trade and other accounts receivable, trade and other payable and related party loans. The carrying value of these financial assets and liabilities equals or approximates the fair value.

iv. Expected credit loss:

When determining the provision for impairment loss on financial assets carried at amortized cost, in line with expected credit loss model, the Company considers reasonable and supportable information that includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements:

1. Financial instruments:

i. Non-derivative financial assets:

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company applies the expected credit loss model to trade receivables for recognising impairment loss on financial assets that measured at amortised cost. While related party loans are also subject to the impairment requirements of IFRS 9, the expected credit loss (ECL) model has not been applied as the related party receivables are considered good and recoverable.

For trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of IFRS 15, 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 IFRS 9. 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 (Refer Note 5).

a) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash, trade and other receivables and loans to related parties.

The Company has the following non-derivative financial assets:

b) Cash and cash equivalents

Cash comprises cash on hand, term deposits and certificates of deposits with an original term to maturity at purchase of three months or less are reported as cash equivalents on the statement of financial position and for the purpose of statement of cash flows.

c) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

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

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated expected credit loss provision.

ii. Non-derivative financial liabilities:

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset, and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: trade and other payables and payable to parent company.

a) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

iii. Share capital

Common shares
Class A common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax, from the proceeds.

2. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the moving average method. Net realizable value is the estimated selling price less applicable selling expenses. If the carrying value exceeds net realizable amount, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exists.

3. Property, plant, and equipment

Items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant, and equipment so as to write off their carrying value over their expected useful economic lives. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit and loss. Depreciation is provided over the estimated useful lives using the declining balance method at the following rates:

Land improvements	10%
Building	10%
Laboratory and instrumentation equipment	14% - 20%
Furniture and fixtures	20%
Motor vehicles	9.5%

4. *Impairment of non-financial assets:*

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount, i.e., the higher of the fair value less cost to sell and the value-in-use is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of operations is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

5. *Provisions*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

6. *Revenue from contracts with customers*

Revenues are recognized through profit and loss when the Company transfers control of goods and services to a customer either over time or at a point in time in exchange for a consideration. Revenue from providing services is recognized in the accounting period in which the services are rendered.

Revenue from research and development contracts:

Performance obligations in research and development contracts involving contract milestones are separately identified that are capable of being distinct. The transaction price is allocated to separate performance obligations based on relative standalone selling prices and is measured based on expected value transferred to a customer. Revenue is recognized when performance obligation is satisfied at a point of time and control is transferred to the customer, upon completion of contract milestone.

Revenue from time and material-based contract milestones are recognized at a point of time based on number of hours spent on the related services performed applying the contracted rates. Revenue is recognized in the amount to which the Company has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Certain customer contracts require deposits to be received upon contract initiation. Such amounts are accounted as contract liability, presented as 'deferred revenue' in other current liabilities. These deposit amounts are recognized as revenue upon the completion of the related contract milestones. Billings in advance of work performed are accounted as contract liability, included in deferred revenue. Contract assets represents right to consideration in exchange of services provided to a customer and has been presented as unbilled revenue under current assets.

Revenue from sale of products:

Revenues related to sale of products is recognized at a point in time when control of the asset is transferred to the customer based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of physical possession, the transfer of risk and rewards, and acceptance by the customer. In case of product sales undertaken by the Company, sales are recognized when control of the products has transferred, being when the products are either delivered to pre-agreed location or shipped from the warehouse, as agreed in the contract, the risk and rewards has transferred, the entity has right to payment and has transferred legal title to a customer. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts.

7. Other non-operating income

Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of relevant agreement (provided that it is probable that the economic benefits will flow, and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

8. Leases

Effects of changes in accounting policies

The Company applied IFRS 16 using the modified retrospective approach with effect from January 1, 2019

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have significant leasing activities acting as a lessor.

Lease liabilities are initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Right of use assets are initially measured at the amount of the lease liability subject to necessary adjustments per IFRS 16.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Practical expedients utilized

The Company elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Company has not applied the recognition and measurement requirements of IFRS 16 to an asset on lease where the Management believes it to be a low value asset based on materiality considerations as per IAS 1 – 'Presentation of Financial Statements' which states that the presentation of financial statements does not require to be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. There are no other assets on lease that are utilized by the Company. Accordingly, the management believes that the financial statements will not be materially misstated in aggregate or otherwise.

9. Finance income and finance cost

The Company's finance income and finance cost includes:

- Interest income
- Interest expense

Interest income and expense are recognized using effective interest rate method. Finance costs comprise interest expense on borrowings and/or credit facility obtained from the banks and related party entities and interest on lease liabilities.

Interest income

Interest income from a financial asset is recognized 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 the effective interest rate applicable.

10. Research and development costs

The Company expenses all research costs as incurred. Product development costs are expensed in the period incurred unless such costs meet the criteria for deferral and amortization. The Company's policy is to amortize deferred product development expenditures over the expected future life of the product once product revenues or royalties are recorded. No product development expenditures have been deferred to date.

11. Retirement benefits

The Company's contribution to pension fund is considered as a defined contribution plan, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense when employees have rendered service entitling them to contributions.

12. Investment tax credits

The Company is entitled to federal and provincial investment tax credits, which are earned as a percentage of eligible research and development expenditures incurred in each taxation year. Income tax investment tax credits related to expensed research and development costs are recorded as a reduction of the total expenditure. Income tax investment tax credits related to property and equipment are accounted for as a reduction in the cost of the related asset.

13. Foreign currency translation

Monetary assets and liabilities of the Company which are denominated in foreign currencies are translated at year-end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired, and liabilities incurred. Revenue and expenses are translated at the rates of exchange prevailing at the closing of the previous month. The resulting gains or losses are included in the statements of operations.

Foreign currency gains and losses are reported on a net basis.

14. Income taxes

The Company uses the asset and liability method of accounting for deferred incomes taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

15. Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its Class A common shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of Class A common shares of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the holders of Class A common shares and the weighted average number of Class A common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, redeemable shares, warrants, rights and share options granted to employees.

16. New standards and interpretations not yet adopted or future accounting standards

There are a number of standards, amendments to standards, and interpretations which have been issued by the ASB that are effective in future accounting periods that the Company has decided not to adopt early or that are not expected to be applicable to the Company. The most significant of these are as follows, which are all effective for the period beginning January 1, 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)

- Revised Conceptual Framework for Financial Reporting

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Bank balance	2,701,705	11,866,977
Total	**2,701,705**	**11,866,977**

NOTE 5 - TRADE AND OTHER ACCOUNTS RECEIVABLE

The Company's accounts receivable primarily relate to supply of pre-clinical, clinical and commercial applications to the pharmaceutical industry for domestic markets and for exports primarily to North America & Europe.

	As at	
	December 31, 2021	**December 31, 2020**
Accounts receivable		
- Exports	9,867,264	4,957,973
- Domestic	47,495	272,628
Total	**9,914,759**	**5,230,601**
Less: Provision for doubtful debts	(164,236)	(161,181)
Trade and other accounts receivable, net	**9,750,523**	**5,069,420**

The movement in expected credit loss allowance balance are as given below:

	Year ended	
	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	161,181	161,181
Provisions made during the year	3,055	-
Balance at end of the year	**164,236**	**161,181**

Credit risk:
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables.

The credit period to customers ranges from 30 to 60 days. 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 December 31, 2021 of CAD 9,914,759, the top five customers of the Company represent a balance of CAD 6,889,375 constituting 69% of total receivables balance. One customer represents more than 6% of total balance of trade receivables i.e., CAD 4,862,293. Of the trade receivables balance as at December 31, 2020 of CAD 5,230,601, the top five customers of the Company represent a balance of CAD 3,483,554 constituting 67% of total receivables balance. One customer represents more than 5% of total balance of trade receivables i.e., CAD 341,239.

The Company does not hold any collateral as security.

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 and adjusted for forward-looking 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. Management estimates that balances that are past due for more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customers' credit risk, including underlying customers' credit ratings if available.

The provision matrix at the end of the reporting period is as follows:

Ageing	**Expected credit loss (%) - For external customers**
Less than 90 days	0%
91 days to 365 days	0%
More than 365 days	100%

	As at	
Ageing of expected credit loss	**December 31, 2021**	**December 31, 2020**
Within due date	-	-
After due date	164,236	161,181

	As at	
Ageing of trade receivables	**December 31, 2021**	**December 31, 2020**
Less than 365 days	9,750,147	5,069,420
More than 365 days	164,612	161,181
Total	**9,914,759**	**5,230,601**

NOTE 6 - INVENTORIES

Inventories comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Raw materials	3,541,549	2,852,000
Contracts-in-progress	2,468,376	1,475,131
Engineered products and spares	1,797,005	1,610,741
Finished products and material	977,708	753,779
Less: Provision for obsolescence and write-off	(676,833)	(710,014)
Total inventories	**8,107,805**	**5,981,637**

The activities in provision for inventories account for year 2021 and 2020 are as given below-

	Year ended	
	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	710,014	475,124
Provisions made during the year	829,485	488,281
Provision utilised during the year	(862,666)	(253,391)
Balance at end of the year	**676,833**	**710,014**

NOTE 7 - LONG-TERM RECEIVABLES AND OTHER ASSETS

Long-term receivables and other assets comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Due from affiliates:		
Piramal Holdings (Suisse) SA	10	10
Total	**10**	**10**

On September 1,2013, long term receivable of CAD 10 from Piramal Holdings (Suisse) SA was taken over, at book value, from an affiliate, on account of amalgamation.

NOTE 8 - RELATED PARTY LOANS

Loan to Piramal Pharma Inc. ("PPI")

During the year ended December 31, 2017, the Company advanced loan to its related party, PPI. vide agreement dated September 21, 2017 amounting to USD 2,500,000, equivalent CAD 3,164,000. This is an unsecured loan provided for PPI's business purposes with an interest rate of 5% p.a. The loan is repayable on demand. During the year ended December 31, 2018, the Company advanced additional USD 3,000,000, equivalent CAD 3,847,800 to PPI out of which USD 2,878,804, equivalent CAD 3,772,712 was repaid by PPI during the year ended December 31, 2018 itself. The balance outstanding has remained the same during the years ended December 31, 2020, and December 31, 2021. The balance as on December 31, 2021 is CAD 3,146,588 (USD 2,621,196), out of which unrealized exchange loss on the loan is CAD 92,500.

Loan to Piramal Pharma Solutions Inc. ("PPSI")

During the year ended December 31, 2018, the Company extended borrowing facility to its related party, PPSI vide agreement dated July 31, 2018 up to USD 10,000,000, this was later amended vide addendum dated June 30, 2020 to increase the available limit up to USD 15,000,000.

The Company advanced loan amounting to USD 5,750,000, equivalent CAD 7,542,125. This is an unsecured loan provided for PPSI's business purposes with an interest rate of 5% p.a. The loan is repayable on demand. During the year ended December 31, 2019, the Company advanced additional USD 5,400,000, equivalent CAD 7,152,200 to PPSI. During the year ended December 31, 2020, the Company advanced additional USD 3,500,000, equivalent CAD 4,718,200 to PPSI of which USD 1,750,000 equivalent to CAD 2,323,475 was repaid during the same year. The balance as on December 31, 2021 is CAD 16,601,030 (USD 12,900,000), out of which unrealized exchange loss on the loan is CAD 488,020.

Loan balances outstanding as at each year end in CAD are as follows:

	As at	
	December 31, 2021	**December 31, 2020**
Piramal Pharma Inc.	3,146,588	3,342,812
Piramal Pharma Solutions Inc.	16,601,030	16,451,370
Total	**19,747,618**	**19,794,182**

During the year ended December 31, 2021, total interest earned amounted to CAD 972,997 (December 31, 2020: CAD 998,402).

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Land and land improvement	Building	Laboratory and instrumentation equipment	Furniture and fixtures	Motor vehicle	Assets under construction	Total
Cost							
As at January 01, 2021	**1,626,424**	**3,060,936**	**19,503,383**	**1,873,877**	**15,064**	8,806,532	**34,886,216**
Additions	-	-	-	-	-	22,248,062	**22,248,062**
Transfer from assets under construction	-	-	1,305,501	112,152	-	(1,417,653)	-
Deletions	-	-	-	-	-	-	-
As at December 31, 2021	**1,626,424**	**3,060,936**	**20,808,884**	**1,986,029**	**15,064**	**29,636,941**	**57,134,278**
Accumulated depreciation							
As at January 01, 2021	**420,951**	**2,191,074**	**11,254,049**	**1,670,486**	**10,542**	-	**15,547,102**
Depreciation charge	37,516	86,955	1,424,411	50,653	433	-	**1,599,968**
Deletions	-	-	-	-	-	-	-
As at December 31, 2021	**458,467**	**2,278,029**	**12,678,460**	**1,721,139**	**10,975**	-	**17,147,070**
Net book value at December 31, 2021	**1,167,957**	**782,907**	**8,130,424**	**264,890**	**4,089**	**29,636,941**	**39,987,208**

Depreciation expense during the year ended December 31, 2021 is CAD 1,599,968.

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Particulars	Land and land improvement	Building	Laboratory and instrumentation equipment	Furniture and fixtures	Motor vehicle	Assets under construction	Total
Cost							
As at January 01, 2020	**1,707,957**	**2,963,447**	**16,269,190**	**1,806,500**	**15,064**	1,683,285	**24,445,443**
Additions	-	-	-	-	-	10,528,710	**10,528,710**
Transfer from assets under construction	-	97,489	3,240,597	67,377	-	(3,405,463)	-
Deletions	(81,533)	-	(6,404)	-	-	-	**(87,937)**
As at December 31, 2020	**1,626,424**	**3,060,936**	**19,503,383**	**1,873,877**	**15,064**	**8,806,532**	**34,886,216**
Accumulated depreciation							
As at January 01, 2020	**379,266**	**2,098,033**	9,976,036	**1,623,200**	**10,068**	-	**14,086,603**
Depreciation charge	41,685	93,041	1,283,321	47,286	474	-	1,465,807
Deletions	-	-	(5,308)	-	-	-	(5,308)
As at December 31, 2020	**420,951**	**2,191,074**	**11,254,049**	**1,670,486**	**10,542**	-	**15,547,102**
Net book value at December 31, 2020	**1,205,473**	**869,862**	**8,249,334**	**203,391**	**4,522**	**8,806,532**	**19,339,114**

Depreciation expense during the year ended December 31, 2020 is CAD 1,465,807.

NOTE 10 - TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	As at	
	December 31, 2021	December 31, 2020
Trade payable due to related party	398,340	234,775
Other trade payables	2,651,351	1,839,060
Total trade payables	**3,049,691**	**2,073,835**
Other payables	437,799	439,678
Total trade and other payables	**3,487,490**	**2,513,513**

NOTE 11 - PROVISIONS

Movement in provisions for the year ended December 31, 2021 is as follows:

	Balance as on January 1, 2021	Provisions made during the year	Provisions utilized during the year	Provision reversed during the year	Balance as on December 31, 2021
Provision for bonus	**666,307**	1,369,226	(1,254,490)	-	**781,043**
Provision clinical study	**14,061**	789	(820)	-	**14,030**
Other provisions	**1,299,604**	24,113,102	(22,376,978)	(75,494)	**2,960,234**
Total provisions	**1,979,972**	**25,483,117**	**(23,632,288)**	**(75,494)**	3,755,307
Less: Long term provision	(14,061)	(789)	820	-	**(14,030)**
Short term provisions	**1,965,911**	**25,482,328**	**(23,631,468)**	(75,494)	**3,741,277**

	Current provision	Non - current provision	Total
Provision for bonus	781,043	-	**781,043**
Provision clinical study	-	14,030	**14,030**
Other provisions	2,960,234	-	**2,960,234**
	3,741,277	**14,030**	**3,755,307**

Movement in provisions for the year ended December 31, 2020 is as follows:

	Balance as on January 1, 2020	Provisions made during the year	Provisions utilized during the year	Provision reversed during the year	Balance as on December 31, 2020
Provision for bonus	808,679	1,069,537	(956,739)	(255,170)	**666,307**
Provision clinical study	19,207	159	(5,305)	-	**14,061**
Other provisions	1,461,300	21,833,194	(21,158,255)	(836,635)	**1,299,604**
Total provisions	2,289,186	**22,902,890**	**(22,120,299)**	**(1,091,805)**	**1,979,972**
Less: Long term provision	(19,207)	(159)	5,305	-	**(14,061)**
Short term provisions	**2,269,979**	**22,902,731**	**(22,114,994)**	**(1,091,805)**	**1,965,911**

	Current provision	Non - current provision	Total
Provision for bonus	666,307	-	**666,307**
Provision clinical study	-	14,061	**14,061**
Other provisions	1,299,604	-	**1,299,604**
	1,965,911	**14,061**	**1,979,972**

Pursuant to closure deal of Bio-Orthopaedics Division, through the sale of the division to Smith & Nephew Orthopedics AG, the Company is required to conduct post-market clinical trials over a period of agreed timelines. As per the agreement, the Company will be reimbursed if the aggregate cost to perform clinical trials exceeds USD 2,500,000 regardless of the outcome of the clinical trials. The Company provided for the cost towards such onerous contract amounting to CAD 3,370,250 equivalent to USD 2,500,000. The provision is reduced by the expenses incurred for the post-market clinical trial.

Provision for bonus includes provision for stock appreciation rights of CAD 22,824 (December 31, 2020 : CAD 84,281) (Refer Note 15).

NOTE 12 - SHARE CAPITAL

Authorized

PHCL, the amalgamated company, is authorized to issue an unlimited number of shares of following class of shares:

Class A, common shares, voting rights
Class B, common shares, voting and exchange rights
Class C, preferred shares, redeemable, no dividend, voting rights
Class D, preferred shares, redeemable, non-cumulative dividend at 1% per month, voting and retraction rights
Class E, preferred shares, redeemable, non-cumulative dividend at 1% per month, voting and retraction rights
Class F, preferred shares, redeemable, non-cumulative dividend at 1% per month, non-voting, retractable
Class G, preferred shares, redeemable, non-cumulative dividend at 1% per month, non-voting, retractable
Class H, preferred shares, redeemable, non-cumulative dividend at 8% per year, non-voting, retractable
Class I, preferred shares, redeemable, non-cumulative dividend at 8% per year, non-voting

	As at	
	December 31, 2021	**December 31, 2020**
Issued		
27,408 Class A, common shares*	32,385,913	32,385,913
Total	**32,385,913**	**32,385,913**

On March 22, 2016, Piramal Holdings (Suisse) SA, transferred its investments comprising 27,408 Class A shares of PHCL to its affiliate company, Piramal Dutch Holdings N.V. for a consideration of CHF 36,000,000 (CAD 48,197,415). Pursuant to such transfer of shares, the Company has become the wholly owned subsidiary of Piramal Dutch Holdings N.V.

NOTE 13 - CAPITAL RESERVE

The capital reserve of CAD 7,928,161 represents the stated capital of the amalgamating companies in excess of the stated capital of the new shares issued on amalgamation, net of intercompany shareholding eliminations.

The Company was amalgamated with its immediate parent companies NPIL Holdings (Canada) Inc. and 4396642 Canada Inc. (formerly 511778 N.B. Inc.). The combined companies continue to operate as PHCL which was a wholly owned subsidiary of Piramal Investments Holdings (Canada) Inc. This transaction between the related parties was recorded at the carrying values as reported on each company's respective financial statements as at November 30, 2006. Piramal Investments Holdings (Canada) Inc. was later amalgamated into PHCL on Sept 01, 2013.

NOTE 14 - REVENUE FROM CONTRACTS WITH CUSTOMERS

14.1 Disaggregated revenue information

	For the year ended	
	December 31, 2021	**December 31, 2020**
Type of goods or services		
Research and development service contracts	30,151,446	31,865,886
Sale of manufactured products	16,999,408	18,704,876
Total	**47,150,854**	**50,570,762**
Timing of revenue recognition		
Services transferred at a point of time	20,860,907	24,863,182
Services transferred over a period of time	9,290,539	7,002,704
Goods transferred at a point of time	16,999,408	18,704,876
Total	**47,150,854**	**50,570,762**

14.2 Contract balances

	As at	
	December 31, 2021	**December 31, 2020**
Trade and other accounts receivables (Note 5)	9,750,523	5,069,420
Contract assets	2,712,034	3,383,607
Contract liabilities	4,054,842	843,347

Trade and other accounts receivables are non-interest bearing and are generally on terms of 30 to 60 days. As at December 31, 2021, CAD 164,236 (December 31, 2020, CAD 161,181) was recognized as provision for expected credit losses on trade and other accounts receivables.

Contract assets are initially recognized for revenue earned from contract manufacturing services as receipt of consideration is conditional on successful completion of performance obligation. Upon completion of the performance obligation and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade receivables.

Contract liabilities include short term advances received upon signing of the contracts. These are presented as deferred revenue in the statement of financial position. Decrease in contract liabilities is due to decrease in number of contracts involving large quantum of advances.

Set out below is the amount of revenue recognized from:

	For the year ended	
	December 31, 2021	**December 31, 2020**
Amounts included in contract liabilities at the beginning of the year	843,347	1,659,402
Performance obligations satisfied in previous years	-	-

14.3 Right of return assets and liabilities

The Company does not have any right of return assets and liabilities as at December 31, 2021 and 2020.

14.4 Performance obligation

Performance obligation for different types of revenues have been summarized in the Note 3.6. As a practical expedient provided in IFRS 15.121, the Company has decided not to disclose the amount of the remaining performance obligations for contracts with original expected duration of less than one year.

NOTE 15 - STOCK APPRECIATION RIGHTS ("SAR")

The Company, in 2014, introduced a compensation scheme, to award the scheme participants, a cash reward equivalent to the difference in the base price of India public listed ultimate parent company, Piramal Enterprises Limited, pre-determined in the agreement and the share price of Piramal Enterprises Limited as on each vesting date, which shall be paid to the participant, subject to the performance conditions specified in the plan document. Following is the summary of the ongoing schemes as at December 31, 2019:

Scheme name	SARs outstanding	Base price	Weighted average remaining contractual life
F – 18	1,132	INR 1,890	7 months

At December 31, 2019, 1,132 SARs are outstanding that have been issued under the two previous plans.

During the year ended December 31, 2021, and December 31, 2020, the Company granted no additional SARs to its employees.

Activity under the plan is as follows:

	SAR's outstanding		
	Number of SARs	Weighted average exercise price (INR)	Weighted average remaining contractual life (months)
Balance—December 31, 2019	**1,132**	**1,890**	**7**
Granted	-	-	
Exercised	**1,132**	**1,890**	
Cancelled	-	-	
Balance—December 31, 2020	-	-	-
Balance—December 31, 2020	-	-	
Granted	-	-	
Exercised	-	-	
Cancelled	-	-	
Balance—December 31, 2020	-	-	-

The SAR's outstanding as of December 31, 2021 and December 31, 2020 were NIL.

Details of the compensation expense recognized during the year:

	Year ended	
	December 31, 2021	December 31, 2020
Salaries and employee benefits	-	84,281
Total	-	**84,281**

The SAR's outstanding as of December 31, 2021, and December 31, 2020 were NIL.

NOTE 16 - INCOME TAXES

A reconciliation of income taxes at Canadian statutory rates with the reported income taxes is as follows:

	Year ended	
	December 31, 2021	**December 31, 2020**
Net income	17,789,290	23,689,173
Investment tax credits	(6,750,855)	(7,020,105)
Net income before tax	**11,038,435**	**16,669,068**
Statutory federal and provincial income tax rates	26.50%	26.50%
	2,925,185	**4,417,303**
Increase (decrease) in income taxes resulting from		
Non-deductible items	475,864	5,882
True-up of tax provision	10,489,307	(1,584,977)
Deferred tax asset not recognized in previous year	(15,344,746)	(7,142,656)
Prior year income tax	744,630	772,114
Income taxes (net)	**(709,760)**	**(3,532,334)**
Current income tax expense	3,801,150	7,798,300
Deferred tax benefit	(4,510,910)	(11,330,634)
Income taxes (net)	**(709,760)**	**(3,532,334)**

The Company has accumulated investment tax credits which can be applied to reduce future year's federal income taxes which expire as follows:

	As at	
Expiring at December 31,	**December 31, 2021**	**December 31, 2020**
2028	2,147,450	1,393,817
2029	1,772,631	1,772,631
2030	2,447,759	2,447,759
2031	3,386,454	3,644,918
2032	2,827,681	2,569,217
2033	2,197,735	2,197,735
2034	2,128,316	2,128,316
2035	1,882,189	1,882,189
2036	1,955,347	1,955,347
2037	1,535,218	1,535,218
2038	2,158,812	2,158,812
2039	2,331,159	2,098,875
2040	1,899,852	2,098,875
2041	2,124,085	-
Total	**30,794,688**	**27,883,709**

During the year ended December 31, 2021, investment tax credits and SR&ED expenses of CAD 6,750,855 (December 31, 2020: CAD 7,020,105) were used to reduce federal and provincial taxes otherwise payable. These investments tax credits and SR & ED pool credits related to current expenses have been included in the determination of net profit for the year.

The Company has accumulated SR & ED expenses in the amount of CAD 56,765,798 (December 31, 2020: CAD 74,569,180) for federal and provincial income tax purposes, which have not been deducted. These amounts can be carried forward for an indefinite period and can be applied against regular business income.

Management has determined that on account of future profitability, the Company will be able to utilize the accumulated investment tax credit and SR & ED expenses and full amount of deferred tax asset of CAD 36,973,924 (December 31, 2020: CAD 32,463,014) has been recognized in the financial statements.

The income tax effects of temporary differences that gave rise to significant portions of the deferred income tax assets and deferred income tax liabilities were as follows:

	As at	
	December 31, 2021	**December 31, 2020**
Deferred income tax assets		
Investment tax credits and SR & ED expenses	35,783,698	46,546,457
Property, plant, and equipment	1,016,241	1,074,620
Others	173,985	186,683
Less: valuation allowance	-	(15,344,746)
Net deferred tax asset	**36,973,924**	**32,463,014**

NOTE 17: EARNINGS PER SHARE

	Year ended	
	December 31, 2021	**December 31, 2020**
Basic earnings per share		
Total income attributable to owners of the Company (A)	14,801,714	27,221,508
Weighted average number of equity shares (Nos.) (B)	27,408	27,408
Basic earnings per share (A)/(B)	**540.05**	**993.20**
Diluted earnings per share		
Total income attributable to owners of the Company (A) for calculation of diluted earnings per share	14,801,714	27,221,508
Weighted average number of shares used for calculation of diluted earnings per share (B) (Nos.)	27,408	27,408
Diluted earnings per share (A)/(B)	**540.05**	**993.20**

NOTE 18: RELATED PARTY TRANSACTIONS

A. Related parties:

a. Piramal Holdings (Suisse) SA – (Immediate Parent company till March 21, 2017)
b. Piramal Enterprises Limited – Ultimate holding company
c. Piramal Dutch Holdings N.V. – (Immediate Parent company from March 22, 2017)
d. Ash Stevens LLC – Affiliate company
e. Piramal Healthcare (UK) Limited – Affiliate company
f. Piramal Corporate Services Limited – Affiliate company
g. Piramal Pharma Solutions Inc – Affiliate company
h. Piramal Pharma Inc. (*formerly known as NPIL Pharma Inc.*). – Affiliate company
i. PEL Pharma Inc - Affiliate company
j. Piramal Pharma Limited – Affiliate company

k. Piramal Pharmaceuticals (UK) Ltd – Affiliate company
l. PEL Healthcare LLC – Affiliate company

B. Summary of transactions with related parties are as follows:

	December 31, 2021	December 31, 2020
Long-term receivables and other assets:		
Piramal Holdings Suisse (SA)	10	10
Receivables includes due from*:		
Piramal Enterprises Limited	3,023	-
Ash Stevens LLC	7,750	840
Piramal Healthcare UK Limited	62,025	449,836
Total receivables from related parties	**72,798**	**450,676**
** included in 'Trade and other accounts receivables' line item*		
Piramal Corporate Services Limited	-	(58,408)
Interest receivable*:		
Piramal Pharma Solutions Inc.	1,570,637	1,389,422
Piramal Pharma Inc.	486,537	320,544
Total interest receivables from related parties	**2,057,174**	**1,709,966**
** included in 'Prepaid and other current assets' line item*		
Payable to*:		
Piramal Enterprises Limited	21,640	16,975
Piramal Pharma Limited	106,172	-
Ash Stevens	270,528	217,800
Total payable to related parties	**398,340**	**234,775**
** included in 'Trade and other payables' line item*		
Loan receivable:		
Piramal Pharma Inc.	3,146,588	3,342,812
Piramal Pharma Solutions Inc.	16,601,030	16,451,370
Total related party loans	**19,747,618**	**19,794,182**
** included in 'Related party loans' line item*		
Reimbursement of expenses:		
Piramal Enterprises Limited	-	125,704
Piramal Healthcare (UK) Ltd	-	131,070
Piramal Pharma Inc.	9,629	107,654
Ash Stevens LLC	1,249,316	610,102
Total reimbursement of expenses	**1,258,945**	**974,530**
** included in 'Selling, distribution and administration' line item*		
Purchases from:		
Piramal Healthcare (UK) Limited	7,695	-
Piramal Pharma Limited	780,181	1,563,554
Ash Stevens LLC	-	217,800
Total purchases from related parties	**787,876**	**1,781,354**
** included in 'Cost of production' line item*		

Sales to:		
Piramal Pharmaceuticals (UK) Ltd	2,024,642	912,254
Ash Stevens	7,750	840
Piramal Enterprises Ltd	3,023	-
Total revenue from operations	**2,035,415**	**913,094**
** included in 'Research and development contracts' line item*		
Loans:		
Loan provided to Piramal Pharma Solutions Inc.	-	4,789,450
Loan provided to PEL Healthcare LLC	-	2,635,600
Repayment of loan from PEL Healthcare LLC	-	(2,635,600)
Total loans provided to related parties	-	**4,789,450**
Interest earned:		
Piramal Pharma Inc.	164,318	176,772
Piramal Pharma Solutions Inc.	808,679	816,733
PEL Healthcare LLC	-	4,897
Total finance income from related parties	**972,997**	**998,402**
** included in 'Finance income' line item*		
Royalty expense to Piramal Corporate Services Limited	93,661	215,641
** included in 'Other expenses' line item*		
Loan guarantee charges:		
Piramal Enterprises Limited	-	9,958

The transactions are in the normal course of business operations and have been valued in these financial statements at the exchange amount being the amount of consideration established and agreed to by the related parties.

Key management compensation

The Company has determined that the key management personnel of the Company consist of its officers. The compensation included in salaries and employee benefits expenses relating to key management personnel is as follows:

	For the year ended	
	December 31, 2021	**December 31, 2020**
Salary	794,668	385,578
Pension plan contribution	34,925	18,132
Non-cash benefits	18,265	2,834
Total	**847,858**	**406,544**

NOTE 19 - PENSION PLAN

The Company has a defined contribution pension plan. During the year ended December 31, 2021, the Company contributed CAD 630,047 (December 31, 2020: CAD 575,654) to this plan.

NOTE 20 - ECONOMIC DEPENDENCE

The Company earned revenue of CAD 15,623,200 representing 33.13% (December 31, 2020: CAD 12,661,648 i.e., 25.04%) of its total revenue from one customer.

NOTE 21 - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:
- Credit risk (Refer Note 5)
- Foreign exchange risk
- Market risk, and
- Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:
- Trade receivables
- Loan to related parties
- Cash and cash equivalents
- Trade and other payables

Risk management

The management has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Credit risk *(Refer Note 5)*

Market risk

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates currency risk or other market factors price risk. The Company is not exposed to interest rate risk as it has financial assets in form of related party loans at fixed interest rates and has not utilized financial liabilities like borrowings based on floating interest rates.

Foreign exchange risk

Foreign exchange risk arises when Company enters into transactions denominated in a currency other than its functional currency i.e., Canadian Dollars. The Company deals with its suppliers majorly in Canadian Dollars (CAD). Thus, it does not face substantial exposure towards expenses and payables. The Company invoices and does the collection from its customers in US Dollars (USD) and also provides advances to related party in USD.

Following table analyses foreign currency exposures to USD as at the reporting date:

	As at			
	December 31, 2021		**December 31, 2020**	
Financial assets and liabilities	**USD**	**CAD**	**USD**	**CAD**
Cash and cash equivalents	2,132,795	2,713,798	8,915,563	11,866,977
Trade and other receivables	7,525,998	9,484,843	5,035,483	5,230,602
Loan to related parties	15,521,196	19,747,618	15,521,196	19,794,182
Trade payables and provisions	1,153,515	1,475,677	556,546	722,516

The Company is mainly exposed to currency - USD. Hence the following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of USD against Canadian Dollars, holding all other variables constant.

	As at / For the year ended			
	December 31, 2021		December 31, 2020	
Particulars	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Total assets in USD	25,179,989	25,179,989	29,472,243	29,472,243
Total liabilities in USD	1,153,515	1,153,515	556,546	556,546
Change in exchange rate (in CAD)	0.0396	(0.0396)	0.0637	(0.0637)
Impact on income or loss before tax/equity (pre-tax) for the year	950,379	(950,379)	1,842,074	(1,842,074)

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company has long term facility and adequate working capital lines from HSBC Bank (current year utilization of overdraft facility is Nil).

The table below provides details regarding the contractual maturities of non-derivative financial liabilities, including estimated interest payments as at December 31, 2021 and December 31, 2020:

	December 31, 2021			
Maturities of financial liabilities	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade and other payables	3,487,490	-	-	-
Provisions	3,741,277	14,030		-
Other financial liabilities	4,054,842	-	-	-
	11,283,609	**14,030**	**-**	**-**

	December 31, 2020			
Maturities of financial liabilities	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade and other payables	2,513,513	-	-	-
Provisions	1,965,911	14,061	-	-
Other financial liabilities	843,347	-	-	-
	5,322,771	**14,061**	**-**	**-**

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. Balances due within 12 months equal their carrying balances.

	December 31, 2021			
Maturities of financial assets	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade and other accounts receivable	9,750,523	-		-
Loan to related parties	19,747,618	-	-	-
	29,498,141	**-**	**-**	**-**

	December 31, 2020			
Maturities of financial assets	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade and other accounts receivable	5,069,420	-		-

Loan to related parties	19,794,182	-	-	-
	24,863,602	**-**	**-**	**-**

NOTE 22 - CAPITAL MANAGEMENT

The Company's primary business is to supply pre-clinical, clinical, and commercial applications to the pharmaceutical industry. It requires ongoing access to capital in order to allow the Company to maintain shareholder and creditor confidence and to sustain the future development of the business. The Company defines capital as share capital, bank indebtedness and intercompany debts, net of cash.

The capital structure of the Company is as follows:

	December 31, 2021	%	December 31, 2020	%
Cash	(2,701,705)	-9%	(11,866,977)	-58%
Share capital	32,385,913	109%	32,385,913	158%
Total	**29,684,208**	**100%**	**20,518,936**	**100%**

	December 31, 2021	December 31, 2020
Total liabilities	11,297,639	5,336,832
Less: Cash and cash equivalents	(2,701,705)	(11,866,977)
Adjusted net-debt	**8,595,934**	**(6,530,145)**
Total equity	113,120,789	98,319,075
Adjusted equity	**113,120,789**	**98,319,075**
Adjusted net debt to adjusted equity ratio	**0.08**	**(0.07)**

The adjusted debt-equity ratio increased from (0.07) at December 31, 2020 to 0.08 at December 31, 2021 due to decrease in cash and cash equivalent balances as at the year-end leading to increase in adjusted debt.

NOTE 23 - EVENTS AFTER REPORTING DATE

The Company evaluated all events and transactions that occurred after December 31, 2021 through May 4, 2022; the date the financial statements were available to be issued. Based on the evaluation the Company is not aware of any events or transactions that require recognition or disclosure in financial statements.

PIRAMAL CRITICAL CARE ITALIA S.P.A.

Financial statements to 31-12-2021

Name and id code	
Company site	SAN GIOVANNI LUPATOTO
Fiscal code	03981260239
Registration number	VERONA 381692
VAT number	03981260239
Share capital Euro	2.500.000 f.p.
Legal form	SOCIETA' PER AZIONI CON SOCIO UNICO
Activity Code (ATECO)	464610
Company being wound up	no
Company with a single shareholder	yes
Company subject to the management and coordination of others	yes
Name of the company or entity that exercises management and coordination	PIRAMAL DUTCH HOLDINGS NV
Belonging to a group	yes
Name of the controlling entity	PIRAMAL DUTCH HOLDINGS N. V.
Country of the controlling entity	AMSTERDAM

Balance sheet (mandatory scheme)

	31-12-2021	31-12-2020
Balance sheet (mandatory scheme)		
Assets		
A) receivables due from shareholders		
Total receivables due from shareholders (A)	0	0
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and expansion costs	0	0
2) Development costs	0	0
3) industrial patents and intellectual property rights	0	0
4) concessions, licenses, trademarks and similar rights	0	0
5) goodwill	0	0
6) assets in process of formation and advances	0	0
7) other	10.973	16.462
Total intangible fixed assets	10.973	16.462
II - Tangible fixed assets		
1) land and buildings	0	0
2) plant and machinery	1.007.102	806.144
3) industrial and commercial equipment	0	0
4) other assets	15.880	16.356
5) assets under construction and payments on account	0	0
Total tangible fixed assets	1.022.982	822.500
III - Financial fixed assets		
Total financial fixed assets	0	0
Total fixed assets (B)	1.033.955	838.962
C) Current assets		
I - Inventories		
4) finished products and goods for resale	3.891.608	2.221.341
Total inventories	3.891.608	2.221.341
II - Receivables		
1) trade accounts		
due within the following year	2.407.010	1.742.275
due beyond the following year	0	-
Total trade accounts	2.407.010	1.742.275
5) receivables due from companies controlled by parent companies		
due within the following year	0	90.000
due beyond the following year	0	-
Total receivables paid by companies controlled by parent companies	0	90.000
5-b) tax receivables		
due within the following year	87.401	58.129
due beyond the following year	0	-
Total receivables due from tax authorities	87.401	58.129
5-d) other receivables		
due within the following year	4.356	4.321
due beyond the following year	0	-
Total receivables due from third parties	4.356	4.321
Total receivables	2.498.767	1.894.725
III - Current financial assets		

Total financial current assets	0	0
IV - Liquid funds		
1) bank and post office deposits	513.482	249.132
3) cash and equivalents on hand	358	849
Total liquid funds	513.840	249.981
Total current assets (C)	6.904.215	4.366.047
D) Accrued income and prepayments	42.771	28.771
Total assets	7.980.941	5.233.780
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	2.500.000	2.500.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	0	0
V - Statutory reserves	0	0
VI - Other reserves, indicated separately		
Contributions to capital account or to cover previous losses	464.753	1.200.000
Contributions to cover losses	0	-
Miscellaneous other reserves	2	1
Total other reserves	464.755	1.200.001
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	0	(175)
IX - Net profit (loss) for the year	(365.537)	(735.072)
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	2.599.218	2.964.754
B) Reserves for contingencies and other charges		
Total reserves for contingencies and other charges	0	0
Total reserve for severance indemnities (TFR)	74.412	64.510
D) Payables		
4) due to banks		
due within the following year	2.040	36
due beyond the following year	0	-
Total payables due to banks	2.040	36
7) trade accounts		
due within the following year	1.817.080	189.818
due beyond the following year	0	-
Total trade accounts	1.817.080	189.818
11) due to parent companies		
due within the following year	4.498	6.770
due beyond the following year	0	-
Total payables due to parent companies	4.498	6.770
11-b) payables due to companies controlled by parent companies		
due within the following year	3.249.889	1.829.130
due beyond the following year	0	-
Total payables due to companies controlled by parent companies	3.249.889	1.829.130
12) due to tax authorities		
due within the following year	37.118	30.268
due beyond the following year	0	-
Total payables due to tax authorities	37.118	30.268
13) due to social security and welfare institutions		

due within the following year	41.722	35.044
due beyond the following year	0	-
Total payables due to social security and welfare institutions	41.722	35.044
14) other payables		
due within the following year	91.058	105.511
due beyond the following year	0	-
Total other payables	91.058	105.511
Total payables (D)	5.243.405	2.196.577
E) Accrued liabilities and deferred income	63.906	7.939
Total liabilities and shareholders' equity	7.980.941	5.233.780

Income statement (value and cost of production)

	31-12-2021	31-12-2020
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	9.556.809	5.346.612
5) Other income and revenues		
operating grants	0	17.117
other	26.046	21.289
Total Other income and revenues	26.046	38.406
Total value of production	9.582.855	5.385.018
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	8.569.276	4.887.417
7) Services	1.340.565	807.005
8) Use of third party assets	300.602	313.007
9) personnel		
a) wages and salaries	640.729	591.923
b) related salaries	206.273	209.608
c) severance	12.412	8.684
e) other costs	45.527	26.877
Total payroll and related costs	904.941	837.092
10) depreciation, amortisation and write downs		
a) amortisation of intangible fixed assets	105.489	5.489
b) depreciation of tangible fixed assets	278.093	265.117
d) write-downs of accounts included among current assets	12.226	8.799
Total Amortisation, depreciation and write-downs	395.808	279.405
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	(1.670.266)	(1.139.639)
14) Other operating expenses	107.617	135.591
Total cost of production	9.948.543	6.119.878
Difference between value and cost of production (A - B)	(365.688)	(734.860)
C) Financial income and charges		
16) other financial income		
d) income other than the above		
other	10	12
Total income other than the above	10	12
Total other financial income	10	12
17) Interest and other financial expense		
other	9	14
Total interest and other financial expense	9	14
17-bis) Currency gains and losses	150	(210)
Total financial income and expense (15 + 16 - 17 + - 17-bis)	151	(212)
D) Value adjustments to financial assets and liabilities		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
Pre-tax result (A - B + - C + - D)	(365.537)	(735.072)
21) Profit (loss) for the year	(365.537)	(735.072)

Financial statement, indirect method

	31-12-2021	31-12-2020
Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	(365.537)	(735.072)
Payable (receivable) interest	(1)	2
(Dividends)	0	0
(Capital gains)/Capital losses from business conveyance	(4.993)	(8.717)
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	(370.531)	(743.787)
Adjustments to non monetary items that were not offset in the net working capital.		
Allocations to preserves	0	8.683
Fixed asset depreciation/amortisation	383.582	270.606
Write-downs for long-term value depreciation	0	0
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	0	0
Other adjustments to increase/(decrease) non-monetary items	12.226	8.799
total adjustments for non-monetary items that were not offset in the net working capital	395.808	288.088
2) Cash flow before changing net working capital	25.277	(455.699)
Changes to the net working capital		
Decrease/(increase) in inventory	(1.670.267)	(1.139.639)
Decrease/(increase) in payables to customers	(676.961)	(317.659)
Increase/(decrease) in trade payables	1.627.262	(249.302)
Increase/(decrease) from prepayments and accrued income	(14.000)	841
Increase/(decrease) from accruals and deferred income	55.967	5.425
Other decreases/(other increases) in net working capital	1.478.255	179.943
Total changes to net working capital	800.256	(1.520.391)
3) Cash flow after changes to net working capital	825.533	(1.976.090)
Other adjustments		
Interest received/(paid)	1	(2)
(Income tax paid)	0	0
Dividends received	0	0
(Use of reserves)	9.902	(142)
Other collections/(payments)	0	0
Total other adjustments	9.903	(144)
Cash flow from current activities	835.436	(1.976.234)
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(473.582)	(257.046)
Disposals	0	0
Intangible fixed assets		
(Investments)	(100.000)	0
Disposals	0	0
Financial fixed assets		
(Investments)	0	0
Disposals	0	0
Short term financial assets		
(Investments)	0	0
Disposals	0	0
(Acquisition of branches of business net of liquid assets)	0	0

Transfer of branches of business net of liquid assets	0	0
Cash flows from investments (B)	(573.582)	(257.046)
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	2.004	(829)
New loans	0	0
(Loan repayments)	0	0
Equity		
Capital increase payments	1	2.000.001
(Capital repayments)	0	0
Transfer/(purchase) of own shares	0	0
(Dividends and advances on dividends paid)	0	0
Cash flows from financing activities (C)	2.005	1.999.172
Increase (decrease) in liquid assets (A ± B ± C)	263.859	(234.108)
Exchange rate effect on liquid assets	0	0
Liquid assets at the start of the year		
Bank and post office deposits	249.132	483.451
Loans	0	0
Cash and valuables in hand	849	638
Total liquid assets at the start of the year	249.981	484.089
of which not freely available	0	0
Liquid assets at the end of the year		
Bank and post office deposits	513.482	249.132
Cash and valuables in hand	358	849
Total liquid assets at the end of the year	513.840	249.981
of which not freely available	0	0

Supplementary Notes to the Financial statements to 31-12-2021

Supplementary notes, initial part

NOTE TO THE ACCOUNTS CLOSED AT 31/12/2021

INTRODUCTION

Then Financial Statement is draft in short form in compliance with art.2423 bis of Civil Code.

The Financial Statements as at 31/12/2021, of which this Note to the accounts is an integral part according to art. 2423, paragraph 1 of the Italian Civil Code, which correspond to the results for the book entries regularly made and which were drafted in compliance with articles 2423, 2423*b*, 2424, 2424*a*, 2425, 2425*a*, 2425*b* of the Italian Civil Code, in accordance with the accounting principles contained in art. 2423 and the valuation criteria defined as in art. 2426 of the Italian Civil Code.

Publishing principles

DRAFTING CRITERIA

In order to prepare the financial statements clearly and to provide a truthful and correct representation of the equity and the financial situation, as well as of the economic result, the following steps were taken, in accordance with article 2423 *a* of the Civil Code:

- evaluate the single items prudently and with a view to presenting a common corporate continuity;
- include only the profits that were actually made during the financial year;
- determine the income and the costs on an accrual basis, regardless of their financial situation;
- include all the risks and the losses on an accrual basis, even if they became known after the end of the year;
- consider separately the heterogeneous elements included in the different categories of the financial statements, in order to evaluate them;
- maintain the same valuation criteria adopted in the previous financial year.

The following budgetary assumptions, as per OIC 11 para. 15, have been followed:

a) prudence;

b) perspective of business continuity;

c) substantial representation;

d) competence;

e) constancy in the evaluation criteria;

f) relevance;

g) comparability.

Perspective of business continuity

With regard to this principle, the evaluation of the items included in the financial statement was carried out with a view to business continuity and, therefore, assuming that the company constitutes a functioning economic entity, likely to produce an income for at least the foreseeable future time frame (12 months from the closing date of the financial statement).

Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code

EXCEPTIONAL CASES EX ART. 2423, PARAGRAPH FIVE OF THE ITALIAN CIVIL CODE

Any extraordinary events that required the use of derogations as defined by art 2423, paragraph 5, of the Italian Civil Code.

Changed accounting principles

CHANGES IN ACCOUNTING PRINCIPLES

There have been no changes in the accounting principles during the financial year.

Applied evaluation criteria

EVALUATION CRITERIA APPLIED

The criteria applied for evaluating the items of the financial statements, reported as follows, are in compliance with the provisions of art. 2426 of the Italian Civil Code.

Evaluation criteria pursuant to art. 2426 of the Italian Civil Code are in compliance with those used in the preparation of the financial statements of the previous year.

Intangible fixed assets

Intangible fixed assets are registered, to the extent of the recoverable amount, at their historical purchase value or internal production costs, including any directly attributable ancillary charges, and they are systematically amortised at constant rates according to the residual value of using the asset.

Tangible fixed assets refer to restructuring costs of the leased offices. The amortization period is linked to the duration of the relative contract.

Tangible fixed assets

Tangible fixed assets are assessed at the date in which the transfer of risks and benefits connected to the purchased items are registered, and they are recorded, to the extent of their recoverable amount, at their historical purchase or production cost, net of their related amortisation funds, including any directly attributable ancillary costs and charges for internal indirect production costs, as well as the charges resulting from the financing of internal manufacturing incurred in the manufacturing period until the end of the useful life of the asset.

The amortisation starts from the moment the assets are available and ready for use.

Fixed assets in progress are no subject to depreciation.

The applied rates are as follows:

Specific plants and machinery: 15%

Other assets:

- fixtures and fittings: 12%
- electronic office machinery: 20%
- vehicles: 25%

Financial leasing transactions

The financial leasing transactions are recorded in accordance with the civil law in vigour and on the basis of the "equity method", according to which lease payments are recorded in the Income Statement.

If the "financial method" has been used, the depreciation of the goods acquired under lease agreements - considering their useful life- together with the interests on the remaining unpaid principal, would have been included in the Income statement instead of the lease payments. Moreover, the goods would have been recorded under the assets, and the residual debt under the liabilities.

The specific section of the explanatory notes shows the information related to the effects of the "financial method".

Inventories

Inventories are registered when the company transfers the risks and benefits associated with ownership of the goods, and are recorded at their lower value, that is either as the purchase cost, comprehensive of all directly attributable costs and ancillary charges and of indirect costs relating to internal production, or the estimated realisable value, with reference to the market value.

Receivables

Receivables are classified either as fixed or current assets on the basis of their designation / origin, with respect to their ordinary activities, and they are recorded at their estimated realisable value.Not with amortized cost

Not with amortized cost poisoning the faculty provided for the preparation of abbreviated financial statements

Receivables, regardless of whether the amortized cost is applied or not, are shown in the balance sheet net of the recognition of a bad debt provision.

Tax receivables

The item "Tax receivables" includes definite amounts arising from sure and certain receivables for which a right of realisation arose through reimbursement or compensation.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Accruals and deferrals

Accruals and deferrals were registered on the basis of accrual economic competence and include revenues / costs accrued and payable in future years, and revenues / costs incurred in the financial year but relating to future years.

Reserves for contingencies and other charges

Reserves for contingencies represent liabilities related to conditions that existed at the date of financial statements, but whose occurrence is only probable.

Reserves for charges represent certain liabilities, related to negative components for profit made in the current year, but that will be recorded next year.

The estimation process is carried out and / or adjusted at the balance sheet date based on past experience and relevant available information.

Reserves for pensions and similar commitments

They represent the liabilities associated with the provisions for supplementary pension benefits and severance grants owed to employees, the self-employed and associates, according to the law or contract in vigour at the time of the termination of employment.

The provision for the year was determined, as an estimate, so as to allow for the progressive adjustment of the provision for the total share accrued at the end of the year.

Reserves for taxes, including deferred taxes

It includes liabilities for probable taxes, resulting from preliminary investigations and litigation in progress, and liabilities for deferred taxes calculated on the basis of taxable temporary differences, applying the rate in force at the time when these differences are believed to disappear.

Payables

Payables were recognized at nominal value making use of the option provided for the preparation of the abbreviated financial statements.

The division of amounts due within and beyond the year is carried out with reference to the contractual or statutory deadline, taking into account facts and events which can result in a change to their original maturity date.

Payables arising from acquisitions of goods are recorded at the time when the risks, costs and benefits were transferred; those relating to services are recorded at the time when the service is performed; financial and the other payables of a different nature are registered at the time when the obligation to the counterparty arises.

Tax payables include liabilities for certain and determined taxes and withholdings operating as substitutes, and not yet paid at the balance sheet date, and, where reimbursements are allowed, they are recorded net of advances, withholding taxes and tax receivables.

Currency values

Monetary assets and liabilities in foreign currencies are recorded at the exchange rate prevailing at the balance sheet date, with any gains and losses registered in the income statement.

Costs and revenues

They are presented in accordance with the principle of prudent and economic competence.

Economic and financial transactions with group companies and with related parties are carried out as in normal market conditions.

Supplementary notes, assets

INFORMATION REGARDING THE BALANCE SHEET - ASSETS

Fixed assets

ASSETS

Intangible fixed assets

Intangible fixed assets

Intangible fixed assets are equal to a € 10.973 (€ 16.462 in the previous year).

Changes in intangible fixed assets

The composition and movements of the single items are as follows:

	Start-up and expansion costs	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Intangible assets in process and advances	Other intangible fixed assets	Total intangible fixed assets
Year opening balance								
Balance sheet value	0	0	0	0	0	0	16.462	16.462
Changes during the year								
Increases for purchases	0	0	0	100.000	0	0	0	100.000
Depreciation /amortisation for the year	0	0	0	100.000	0	0	5.489	105.489
Total changes	0	0	0	0	0	0	(5.489)	(5.489)
Year closing balance								
Cost	0	0	0	100.000	0	0	32.109	132.109
Amortisation (amortisation fund)	0	0	0	100.000	0	0	21.136	121.136
Balance sheet value	0	0	0	0	0	0	10.973	10.973

Tangible fixed assets

Tangible fixed assets

Tangible fixed assets are equal to € 1.022.982 (€ 822.500 in the previous year)

Changes in tangible fixed assets

The composition and movements of single items are as follows:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets in process and advances	Total tangible fixed assets
Year opening balance						
Balance sheet value	0	806.144	0	16.356	0	822.500
Changes during the year						
Increases for purchases	0	468.382	0	4.844	0	473.226
Depreciation /amortisation for the year	0	272.773	0	5.320	0	278.093
Other changes	0	5.349	0	0	0	5.349
Total changes	0	200.958	0	(476)	0	200.482
Year closing balance						
Cost	0	2.436.003	250	68.131	0	2.504.384
Amortisation (amortisation fund)	0	1.428.901	250	52.251	0	1.481.402
Balance sheet value	0	1.007.102	0	15.880	0	1.022.982

Finance leases operations

Financial leases

Pursuant to art. 2427, paragraph 1 number 22 of the Italian Civil Code, information regarding financial leases is provided below.

	Amount
Total value of financial leased assets at the end of the year	1.000.000
Depreciation related to the year	150.000
Current value of unpaid instalments at the end of the year	187.082
Financial liabilities for the year based on the effective interest rate	16.262

Current assets

CURRENT ASSETS

Inventory

Inventories

The inventories included in current assets amounted to € 3.891.608 (€ 2.221.341 in the previous year).

The composition and changes in the individual items are reported as follows:

	Year opening balance	Change during the year	Year closing balance
Finished products and goods for resale	2.221.341	1.670.267	3.891.608
Total Inventories	2.221.341	1.670.267	3.891.608

Receivables included among current assets

Receivables

Receivables included under current assets amounted to € 2.498.767 (€ 1.894.725 in the previous year).

The composition is represented as follows:

	Due within the following year	Due beyond the following year	Total nominal value	(Risk funds/write-downs)	Net value
Due from customers	2.447.907	0	2.447.907	40.897	2.407.010
Tax receivables	87.401	0	87.401		87.401
Other receivables	4.356	0	4.356	0	4.356
Total	2.539.664	0	2.539.664	40.897	2.498.767

Changes and deadline of receivables posted to current assets

Receivables - Division according to the expiration date

Pursuant to art. 2426, paragraph 1 number 6 of the Italian Civil Code, data regarding the division of receivables according to the expiration date are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Trade receivables included among current assets	1.742.275	664.735	2.407.010	2.407.010	0	0
receivables due from companies controlled by parent companies posted to current assets	90.000	(90.000)	0	0	0	0
Tax receivables included among current assets	58.129	29.272	87.401	87.401	0	0
Other receivables included among current assets	4.321	35	4.356	4.356	0	0
Total receivables included among current assets	1.894.725	604.042	2.498.767	2.498.767	0	0

Liquid funds

Cash and cash equivalents

Cash and cash equivalents included under current assets amounted to 513.840 (€ 249.981 in the previous year).

The composition and changes in the individual items are reported as follows:

	Year opening balance	Change during the year	Year closing balance
Bank and post office deposits	249.132	264.350	513.482
Cash and other cash in hand	849	(491)	358
Total liquid funds	249.981	263.859	513.840

accrued income and prepayments

PREPAID AND ACCRUED EXPENSES

Prepaid and accrued expenses amounted to € 42.771 (€ 28.771 in the previous year).

The composition and changes in the individual items are reported as follows:

	Year opening balance	Change during the year	Year closing balance
Deferred income	28.771	14.000	42.771
Total accrued income and prepaid expenses	28.771	14.000	42.771

Composition of prepaid expenses:

	Description	Amount
	Noleggi o leasing	3.912
	Assicurazioni	4.124
	Spese sw e hw	4.080
	Spese per gare	16.590
	Consulenze AIC	14.064
Total		**42.770**

Supplementary notes, liabilities and net equity

INFORMATION REGARDING THE BALANCE SHEET LIABILITIES AND NET EQUITY

Shareholders' equity

NET EQUITY

The existing net equity at the year end amounted to € 2.599.218 (€ 2.964.754 in the previous year).

Changes in shareholders' equity

The following tables show changes to the individual items during the financial year, which constitute the net equity and the breakdown of the 'Other reserves'.

	Year opening balance	Destination of the previous year's result		Other changes			Result for the year	Year closing balance
		Dividend allocations	Other destinations	Increases	Decreases	Reclassifications		
Capital	2.500.000	0	0	0	0	0		2.500.000
Share premium reserve	0	-	-	-	-	-		0
Write-down reserve	0	-	-	-	-	-		0
Legal reserve	0	-	-	-	-	-		0
Reserves provided by the articles of association	0	-	-	-	-	-		0
Other reserves								
Contributions to capital account or to cover previous losses	1.200.000	0	0	0	735.247	0		464.753
Contributions to cover losses	-	-	-	-	-	-		0
Miscellaneous other reserves	1	0	0	0	0	1		2
Total other reserves	1.200.001	0	0	0	735.247	1		464.755
Reserve to hedge expected cash flow transactions	0	-	-	-	-	-		0
Profit (loss) carried forward	(175)	0	175	0	0	0		0
Profit (loss) for the year	(735.072)	0	735.072	0	0	0	(365.537)	(365.537)
Minimised loss for the year	0	-	-	-	-	-		0
Negative reserve for own portfolio shares	0	-	-	-	-	-		0
Total shareholders' equity	2.964.754	0	735.247	0	735.247	1	(365.537)	2.599.218

Use of shareholders' equity

Statement of availability and use of net equity's items

The information required by article 2427, paragraph I no. 7a of the Italian Civil Code regarding the specification of the items included as net equity with reference to their origin, possibility of use and distribution, as well as their utilisation in previous years, can be ascertained from the tables below:

	Amount	Origin / nature	Possible use	Available amount	Summary of uses in the three previous years
					to cover losses
Capital	2.500.000	CAPITALE		0	0
Share premium reserve	0	CAPITALE	A,B,C	0	0
Write-down reserve	0			-	-
Legal reserve	0			-	-
Reserves provided by the articles of association	0			-	-
Other reserves					
Contributions to capital account or to cover previous losses	464.753	CAPITALE	A,B	464.753	735.247
Contributions to cover losses	0	CAPITALE	A,B,C	0	0
Miscellaneous other reserves	2			0	0
Total other reserves	464.755			464.753	735.247
Reserve to hedge expected cash flow transactions	0			-	-
Negative reserve for own portfolio shares	0			-	-
Total	2.964.755			464.753	735.247
Residual available share				464.753	

Key: A: for capital increase, B: to hedge losses, C: distribution to shareholders, D: for other article of association restraints, E: other

Staff severance fund

EMPLOYEE SEVERANCE INDEMNITIES

Employee severance indemnities are recorded in liabilities with a total amount of € 74.412 (€ 64.510 in the previous year).

The composition and movements in the individual items are analysed as follows:

	Staff severance fund
Year opening balance	64.510
Changes during the year	
Operating accrual	12.412
Other changes	(2.510)
Total changes	9.902
Year closing balance	74.412

Payables due to companies controlled by parent companies

PAYABLES

Payables are recorded as liabilities with a total amount of € 5.243.405 (€ 2.196.577 in the previous year).

The composition and the movements in the individual items are analysed as follows:

	Year opening balance	Changes during the year	Year closing balance
Payables to banks	36	2.004	2.040

Payables to suppliers	189.818	1.627.262	1.817.080
Payables to parent companies	6.770	-2.272	4.498
Payables due to companies controlled by parent companies	1.829.130	1.420.759	3.249.889
Tax payables	30.268	6.850	37.118
Payables due to social security and welfare institutions	35.044	6.678	41.722
Other payables	105.511	-14.453	91.058
Total	2.196.577	3.046.828	5.243.405

Payables changes and due date

Payables- Division according to their maturity

According to art. 2427, paragraph 1, number 6 of the Italian Civil Code, data regarding the division of payables according to their maturity are hereby reported:

	Year opening balance	Change during the year	Year closing balance	Amount due within 12 months	Amount due beyond 12 months	of which beyond 5 years
Payables to banks	36	2.004	2.040	2.040	0	0
Payables to suppliers	189.818	1.627.262	1.817.080	1.817.080	0	0
Payables to parent companies	6.770	(2.272)	4.498	4.498	0	0
Payables due to companies controlled by parent companies	1.829.130	1.420.759	3.249.889	3.249.889	0	0
Tax payables	30.268	6.850	37.118	37.118	0	0
Payables due to social security and welfare institutions	35.044	6.678	41.722	41.722	0	0
Other payables	105.511	(14.453)	91.058	91.058	0	0
Total payables (D)	2.196.577	3.046.828	5.243.405	5.243.405	0	0

Payables covered by real guarantees on company assets

Payables secured by collateral on corporate assets

Pursuant to art. 2427, paragraph 1 number 6 of the Italian Civil Code, it is specified that there isn't information regarding collateral on corporate assets.

Payables for operations that envisage the obligation of retrocession at term

Payables - transactions with a repurchase agreement

According to article 2427, paragraph 1 number 6c of the Italian Civil Code, it is specified that there isn't data regarding payables deriving from transactions that provide for the obligation of reconveyance by the purchaser are hereby provided:

Loans by shareholders

Loans made by shareholders

Information relating to loans made by the company's shareholders are presented below, In accordance with art. 2427, paragraph 1 number 19a of the Itlian Civil Code, it is specified that there aren't loans made by shareholders.

accrued liabilities and deferred income

ACCRUED LIABILITIES AND DEFERRED INCOME

Accrued liabilities and deferred income are registered as liabilities with a total amount of 63.906 (€ 7.939 in the previous year).

	Year opening balance	Change during the year	Year closing balance
Accrued liabilities	2.672	(221)	2.451
Deferred income	5.267	56.188	61.455
Total accrued liabilities and deferred income	7.939	55.967	63.906

Composition

	Description	Amount
	Noleggio vaporizzatori	2.451
Total		2.451

	Description	Amount
	Contributi c/impianto	61.455
Total		61.455

Supplementary notes, income statement

INFORMATION REGARDING THE INCOME STATEMENT

Value of production

PRODUCTION VALUE

Amount and nature of the single income/cost items of exceptional size or effect

INCOME OF EXCEPTIONAL SIZE OR INCIDENCE

Pursuant to art. 2427, paragraph 1 number 13 of the Italian Civil Code, it is specified that there aren't income of exceptional size or incidence:

COSTS OF EXCEPTIONAL SIZE OR INCIDENCE

Pursuant to art. 2427, paragraph 1 number 13 of the Italian Civil Code, it is specified that there aren't costs of exceptional size or incidence:

Supplementary notes, other information

OTHER INFORMATION

Employment data

Employment data

Information concerning the staff is hereby reported, according to art. 2427, paragraph 1 number 15 of the Italian Civil Code:

	Average number
Other employees	12
Total employees	12

Remuneration, advances and credits granted to directors and auditors and commitments on their behalf

Remuneration of corporate bodies

Information regarding managers and auditors is hereby reported, according to art. 2427, paragraph 1 number 16 of the Italian Civil Code:

	Auditors
Remuneration	24.654

Remuneration to legal auditor or audit company

Remuneration of the statutory auditor or of the audit firm

According to art. 2427, paragraph 1 number 16 a of the Italian Civil Code, it is specified that audit activity is carried out by the board of statutory auditors and the fee is included in previous paragraph.

Commitments, guarantees and potential liabilities not posted to the balance sheet

Commitments, guarantees and contingent liabilities that are not recorded in the balance sheet

Pursuant to art. 2427, paragraph 1, number 9 of the Italian Civil Code, it is specified that the company has in storage at its warehouses products in 'conto vendita' of Euro 15,704.

Information on transactions with correlated parties

Transactions with related parties

Concerning the transactions with related parties, pursuant to art 2427, paragraph 1 number 22a of the Italian Civil Code, is hereby reported, please refer to the following paragraph regarding the information required by art. 2497 bis of the Civil Code

Information on agreements not posted to the balance sheet

Agreements not disclosed in the balance sheet

Concerning the nature and the economic objective of the agreements not included in the balance sheet, in accordance with art. 2427, paragraph 1 number 22c of the Italian Civil Code, there are no information to report.

Information on significant events after yearend

Relevant events after the reporting period

Pursuant to art. 2427, paragraph 1 number 22c of the Italian Civil Code, it is specified that there are no information to report.

Companies that draft the largest/smallest group of companies that they belong to as subsidiary

Name and registered office of companies drafting the consolidated financial statements of the largest /smallest set of companies they belong to

The following table reports information required by article 2427, paragraph 1 number 22d and 22e of the Italian Civil Code:

	Larger unit
Company name	Piramal Enterprises Limited
Town (if in Italy) or foreign state	Mumbai

Summary of balance sheet of the company exercising management and coordination activities

Information regarding companies or entities that perform management and coordination activities - art. 2497a of the Italian Civil Code

The company is subjected to management and coordination activities by the company Piramal Dutch Holding NV (Netherlands).

The essential data of the latest available financial statements of the company that carries out the activity of management and coordination (values ??are expressed in Euro)

Summary of balance sheet of the company exercising management and coordination activities (overview)

	last financial year	Previous year
Date of the last approved balance sheet	31/12/2020	31/12/2019
A) receivables due from shareholders	0	0
B) Fixed assets	402.971.555	365.244.114
C) Current assets	15.933.388	493.169
D) Prepaid expenses and accrued income	0	0
Total assets	418.904.943	365.737.283
A) Shareholders' equity		
share capital	226.657.922	226.657.922
Reserves	50.807.440	55.345.112
Profit (loss) for the year	(4.779.808)	(4.537.672)
Total shareholders' equity	272.685.554	277.465.362
B) Reserves for contingencies and other charges	0	0
Total reserve for severance indemnities (TFR)	0	0
D) Payables	145.119.389	88.271.921
E) Accrued expenses and deferred income	0	0
Total liabilities and shareholders' equity	417.804.943	365.737.283

Summary of memorandum accounts of the company exercising management and coordination activities (overview)

	last financial year	Previous year
A) Value of production	60.000	0
B) Costs of production	929.754	224.227
C) Financial income and charges	(3.910.054)	(4.313.445)
D) Value adjustments to financial assets	0	0
Income taxes for the year	0	0
Profit (loss) for the year	(4.779.808)	(4.537.672)

With reference to the relationships with those who carry out the management and coordination activities and with the other companies that are subject to them, the effects of a patrimonial and economic nature deriving from these operations on the financial statements as at 31 December 2021 are reported below.

It should be noted that all intra-group transactions cannot be qualified as atypical or unusual, falling within the normal course of business of the Group companies. These transactions, when not concluded at standard conditions or dictated by specific regulatory conditions, are in any case regulated at market conditions.

Parent companies

Company	Credits	Debts	Costs /year	Revenues /year
Piramal Enterprisese Limited	0	4.499	4.499	0

Companies controlled by parent companies

Company	Credits	Debts	Costs /year	Revenues /year
Piramal Co. Services Ltd		37.675	52.436	
Piramal Critical Care B.V.		3.200.103	4.204.354	
Piramal Critical Care Ltd		12.100	12.100	
Total				

Information pursuant to art. 1, paragraph 125, of Law 4 August 2017 n. 124

Information pursuant to art. 1 paragraph 125, of Law n. 124 dated 4 August 2017

With reference to art. 1 paragraph 125 of Law 124/2017, grants (contributions, paid jobs, economic benefits) received from public administrations are summarised below.

landing entity	amount	status	date	law
Italian State	6.322	obtained	usable in compensation	New investments Law n 170/2020

Proposed use of profits or hedging of losses

Allocation of the economic result

Pursuant to article. 2427, paragraph 1 number 22 f of the Italian Civil Code, it is proposed to cover the loss with the available reserve..

Operating performance and planning

The company ended year 2021 with a turnover of 9.5 million euros or an increase of 44% compared to the previous year. The very positive performance was possible thanks to some agreements signed with external partners and the introduction of new drugs / medical devices on the national market. The partnerships signed are perfectly consistent with the growth strategy of the company which sees the achievement of a positive result on its Financial Statement as its primary mission.

The market conditions, which have changed as a result of the Covid-19 pandemic, have been addressed through a reorganization of activities and with the sole objective of completing some projects already planned during the year 2020. The newly introduced drugs have made it possible to increase the company's presence on the market, conquer new market shares and consolidate turnover. Continuity of growth, acquisition of new market shares and introduction of new drugs in business complementary to existing ones is expected for the year 2022..

Further information

With regard to corporate risks, it should be pointed out that the company operates in the healthcare sector and, as such, is subject to the mechanism of covering the hospital pharmaceutical expenditure through the payback system.

As is known, the payback identifies the procedure, introduced with Legislative Decree 95/2012, by which companies in the pharmaceutical sector are required to partially cover any overshooting of the limit established by law for hospital pharmaceutical expenditure. Any charge for the payback shares to be borne by the company, proportionate to the turnover of the year covered by the shelf, is not predictable as the budget for the drugs subject to the monitoring system is assigned only following the closure of the negotiations with AIFA.

As for other risks associated with price increases or incorrect market positioning, to date they appear relatively low.

Supplementary notes, final part

The Board of Directors

DE YOUNG PETER

Balance sheet conformity statement

Declaration of conformity

This is a truthful copy of the documents filed by the company.

Piramal Critical Care Inc.

Financial Statements

December 31, 2021 and December 31, 2020

KNAV P.A.

Certified Public Accountants

One Lakeside Commons, Suite 850

990 Hammond Drive NE, Atlanta, GA 30328

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KNAV
PARTNERS BEYOND BOUNDARIES

Independent Auditor's Report

To the Board of Directors
Piramal Critical Care Inc.

Opinion

We have audited the accompanying financial statements of Piramal Critical Care Inc. (the "Company"), which comprise of the balance sheets as of December 31, 2021, and December 31, 2020, the related statements of income, stockholder's equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of December 31, 2021 and December 31, 2020, and the results of its operations and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
March 22, 2022

Financial Statements

Balance sheets

(All amounts are stated in United States Dollars, unless otherwise stated)

	As at December 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	1,153,636	333,475
Accounts receivable, net	21,234,326	18,388,079
Accounts receivable, from related parties	13,119,374	12,758,689
Inventories, net	49,897,816	60,737,343
Other current assets	2,814,955	3,090,793
Total current assets	**88,220,107**	**95,308,379**
Right-of-use asset	6,952,753	4,021,847
Property, plant and equipment, net	59,440,531	59,438,189
Goodwill	27,911,105	27,911,105
Intangible assets, net	134,206,803	140,964,370
Loans to related parties - non-current	9,500,000	-
Other assets	1,316,752	-
Total assets	**327,548,051**	**327,643,890**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable, net	6,683,107	11,909,469
Accounts payable, to related parties	4,146,224	1,864,099
Other current liabilities	9,729,774	3,872,618
Current portion of operating lease liabilities	658,566	230,388
Short-term borrowings, including current portion of long-term borrowings	20,526,014	25,215,658
Total current liabilities	**41,743,685**	**43,092,232**
Long term borrowings, non-current portion	164,911,987	167,849,654
Operating lease liabilities, net of current portion	6,684,584	3,977,030
Deferred tax liabilities	217,248	4,252,312
Total liabilities	**213,557,504**	**219,171,228**
Commitments & contingencies *(Refer note O)*		
Stockholder's equity		
Common stock		
10,000 shares of $ 1,000 each, authorized, issued and outstanding	10,000,000	10,000,000
Additional paid in capital	7,337,676	7,337,676
Accumulated surplus	96,652,871	91,134,986
Total stockholder's equity	**113,990,547**	**108,472,662**
Total liabilities and stockholder's equity	**327,548,051**	**327,643,890**

(The accompanying notes are an integral part of these financial statements)

Statements of income

(All amounts in stated United States Dollars, unless otherwise stated)

	For the year ended December 31, 2021	For the year ended December 31, 2020
Operating revenues	181,477,204	162,574,655
Less: Cost of revenues	(88,719,242)	(78,442,612)
Gross profit	**92,757,962**	**84,132,043**
Costs and expenses		
Selling, general and administrative expenses	35,845,574	27,499,285
Depreciation and amortization	21,830,235	18,416,185
Research and development expenses	5,197,035	1,978,761
Total cost and expenses	**62,872,844**	**47,894,231**
Operating income	**29,885,118**	**36,237,812**
Other income, net of other expenses	1,049,016	116,753
Interest expense	(5,893,502)	(7,254,678)
Income before income taxes	**25,040,632**	**29,099,887**
Current tax expense	10,177,810	1,837,573
Deferred tax (benefit) expense	(4,035,063)	5,168,223
Net income	**18,897,885**	**22,094,091**

(The accompanying notes are an integral part of these financial statements)

Statement of stockholder's equity

(All amounts in stated United States Dollars, unless otherwise stated)

Particulars	Common stock Authorized, issued and outstanding		Additional paid in capital	Accumulated surplus	Total stockholder's equity
	Shares	Value ($)			
Balance as at January 1, 2020	**10,000**	**10,000,000**	**6,304,096**	**69,040,895**	**85,344,991**
Additional paid in capital - tax impact Agile *(Refer note T)*	-	-	1,033,580	-	**1,033,580**
Net income for the year	-	-	-	22,094,091	**22,094,091**
Balance as at December 31, 2020	**10,000**	**10,000,000**	**7,337,676**	**91,134,986**	**108,472,662**
Balance as at January 1, 2021	**10,000**	**10,000,000**	**7,337,676**	**91,134,986**	**108,472,662**
Dividend paid to Parent Company	-	-	-	(13,380,000)	**(13,380,000)**
Net income for the year	-	-	-	18,897,885	**18,897,885**
Balance as at December 31, 2021	**10,000**	**10,000,000**	**7,337,676**	**96,652,871**	**113,990,547**

(The accompanying notes are integral part of these financial statements)

Statements of cash flows

(All amounts stated in United States Dollars, unless otherwise stated)

	For the year ended	
	December 31, 2021	December 31, 2020
Cash flows from operating activities		
Net income	**18,897,885**	**22,094,091**
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,830,235	18,416,185
Loss on sale/disposal of equipment	193,552	66,892
Unrealized exchange loss (gain)	1,345,883	(785,133)
Loan origination fee amortization	360,994	206,195
Provision for bad debts	81,206	(119,572)
Provision for slow moving inventory	2,610,635	(76,497)
Deferred tax (benefit) expense	(4,035,063)	5,168,223
Changes in net operating assets and liabilities		
Accounts receivable, net	(4,634,021)	2,570,750
Inventories, net	8,228,892	(13,321,305)
Other current assets	275,838	(420,239)
Other assets	(1,316,752)	-
Accounts payable	(2,944,237)	4,287,158
Operating lease obligations	204,826	55,397
Other current liabilities	5,857,156	(243,169)
Net cash provided by operating activities	**46,957,029**	**37,898,976**
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,068,562)	(24,449,157)
Purchase of intangibles	(2,200,000)	(175,000)
Loan advanced to related parties	(9,500,000)	-
Net cash used in investing activities	**(24,768,562)**	**(24,624,157)**
Cash flows from financing activities		
Proceeds from long term-borrowings	16,745,373	12,849,178
Principal repayments of long-term borrowings	(18,233,679)	(16,205,373)
Principal repayments of short-term borrowings	(6,500,000)	(12,000,000)
Dividend paid to the Parent Company	(13,380,000)	-
Net cash used in financing activities	**(21,368,306)**	**(15,356,195)**
Net increase (decrease) in cash and cash equivalents	**820,161**	**(2,081,376)**
Cash and cash equivalents at the beginning of the year	333,475	2,414,851
Cash and cash equivalents at the end of the year	**1,153,636**	**333,475**
Supplementary cash flow information		
Interest paid	5,747,897	6,386,296
Income taxes paid	6,644,768	2,579,271

(The accompanying notes are an integral part of these financial statements)

Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS

Piramal Critical Care Inc. ("PCCI" or "the Company"), incorporated in 1994 in the State of Delaware, is a global critical care company focused on saving lives with critical care solutions. The Company is one of the leaders in anesthesia segment. With products available in more than 100 countries, the Company is amongst the largest producers of inhalation anesthetics and maintains a wide presence across Europe and the United States.

The Company's product portfolio includes:

• Inhalation anesthetics such as Sevoflurane, Desflurane, Isoflurane, and Halothane, as well as intrathecal Baclofen, and animal health solutions.

• Injectable anti-infectives such as Ampicillin for Injection, USP, Ampicillin and Sulbactam for Injection, USP, Cefepime for Injection, USP, Ceftriaxone for Injection, USP, Linezolid Injection, Oxacillin for Injection, USP, and Piperacillin and Tazobactam for Injection, USP.

• Glycopyrrolate injection for anticholinergic action.

• Rocuronium Bromide Injection for the muscle relaxation.

• Injectables that include Dexmedotomidine, Propofol and Succinylcholine.

• Intrathecal Therapy products that include Gablofen and Mitigo.

The Company is a wholly owned subsidiary of Piramal Healthcare Inc. ('Parent Company'), which is ultimately held by Piramal Enterprises Limited, a public listed India company. The Company's products are sold worldwide directly to wholesalers, distributors, and healthcare facilities.

The Company's principal manufacturing facilities are located in Bethlehem, Pennsylvania in the United States. The Company's principal market areas are divided between North America ("NA") and Rest of the World ("ROW"). The concentration of sales is more in the NA market as compared to the ROW market.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America. The significant accounting policies are detailed below:

1 *Basis of preparation*

a. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position and results of operations of the Company. These financial statements have been prepared incorporating the "push down effect" of fair value adjustments resulting from the acquisition of the Company by Piramal Healthcare Inc.

b. The financial statements are presented for the calendar years ended December 31, 2021 and December 31, 2020. All amounts are stated in United States Dollars, unless specified otherwise.

c. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net income or stockholder's equity.

2 *Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for realization of deferred tax assets, determination of useful lives for property, plant and equipment and intangible assets, long-lived assets for impairment, provision for doubtful debts, provision for chargebacks, discounts and rebates, inventory valuation and estimation relating to unsettled transactions and events at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in accounting estimates are recognized prospectively in the current and future periods.

3 *Cash and cash equivalents*

Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

4 *Revenue recognition*

The Company adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) as of January 01, 2019. Please refer Note U "Revenue from contracts with customers" for further information on the Company's revenue.

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company's products or services. The Company's global payment terms are typically between 30-90 days. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Some of the Company's contracts have multiple performance obligations.

The majority of the Company's performance obligations are satisfied at a point in time. This includes sales of the Company's broad portfolio of inhalation anesthetics and injectable anesthesia/ pain management products across its geographic segment. For a majority of these sales, the Company's performance obligation is satisfied upon delivery to the customer. Shipping and handling activities are considered to be fulfillment activities and are not considered to be a separate performance obligation.

Significant judgments

Revenues from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration for reserves related to rebates, product returns, sales discounts and wholesaler chargebacks. These reserves are based on estimates of the amounts earned or to be claimed on the related sales and are included in accounts receivable as contra accounts to the respective accounts receivable balances.

Management's estimates take into consideration historical experience, current contractual and statutory requirements, specific known market events and trends, industry data, and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the contract using the expected value method. The amount of variable consideration included in the net sales price is limited to the amount that is probable not to result in a significant reversal in the amount of the cumulative revenue recognized in a future period.

5 *Provision for doubtful debts*

In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers and maintains reserves for potential credit losses. The Company provides for the provision for doubtful debts on the accounts receivable due for more than 365 days. In addition to the above, the Company also follows the specific identification method for recognizing provision for doubtful debts. Management analyzes composition of the accounts receivable aging, payment history, historical bad debts, current economic trends and customer credit worthiness of each accounts receivable when evaluating the adequacy of the provision for doubtful accounts. Provision for doubtful debt is included in selling, general and administrative expenses in the statements of income.

6 *Shipping and handling costs*

Shipping and handling costs incurred by the Company to transport products to customers are included in cost of revenues in the statements of income.

7 *Selling, general and administrative expenses*

Selling, general and administrative costs are expenses as incurred. Among other things, these expenses include the internal and external costs of marketing, advertising, information technology and legal defense. Production costs are expensed as incurred.

8 *Inventories*

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost in the case of raw materials comprises the purchase price and attributable direct costs, less trade discounts. Cost in the case of work-in-progress and finished goods comprise direct labor, material cost and production overheads.

A write down of inventory to the lower of cost or market value at the close of a fiscal period creates a new cost basis and is not marked up based on changes in underlying facts and circumstances.

Inventories are reviewed on a periodic basis for identification and write-off of slow moving, obsolete, and impaired inventory. Such write-downs, if any, are included in cost of revenues.

9 *Property, plant and equipment and depreciation*

Property, plant and equipment are stated at cost less accumulated depreciation. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations.

The estimated useful life used to determine depreciation is:

Machinery and equipment	5-20 years
Computers	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Lease term
Buildings	35 years
Equipment with customers	7 years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant and equipment not ready for use before such date are disclosed under construction-in-progress.

10 *Research and development costs*

Research and development costs ("R&D") are expensed as incurred. These expenses include costs of proprietary R&D efforts, as well as costs incurred in connection with certain licensing agreements. Before a compound receives a regulatory approval, the non-refundable upfront and milestone payment made to the third parties under licensing arrangements are recorded as expense in proportion to the services procured. Once a compound receives a regulatory approval, any milestone payments are recorded as identifiable, intangible assets, less accumulated amortization and unless the asset is determined to have an indefinite life, the payments are amortized on straight line basis over remaining agreement term or the expected product life cycle whichever is lower.

Capital expenditure incurred on equipment and facilities that are acquired or constructed for research and development activities and having alternative future uses is capitalized as tangible assets when acquired or constructed.

11 *Collaborative arrangements*

The Company enters into collaborative arrangements, typically with other pharmaceutical or biotechnology companies, to develop and commercialize drug candidates or intellectual property. These arrangements typically involve two (or more) parties who are active participants in the collaboration and are exposed to significant risks and rewards dependent on the commercial success of the activities. These collaborations usually involve various activities by one or more parties, including research and development, marketing and selling and distribution. Often, these collaborations require upfront, milestone and royalty or profit share payments, contingent upon the occurrence of certain future events linked to the success of the asset in development.

In general, the income statement presentation for these collaborations is as follows:

Nature/Type of Collaboration	**Statement of income presentation**
Royalties paid to collaborative partner (post regulatory approval)	Cost of revenue
Milestones paid to collaborative partner (post regulatory approval)*	Depreciation and amortization
Upfront payments & milestones paid to collaborative partner (pre-regulatory approval)	Research and development expense
Research and development payments to collaborative partner	Research and development expense

*Milestones are capitalized as intangible assets and amortized over the useful life.

Profit-sharing payments made to third parties for the year ended December 31, 2021 and December 31, 2020 totalled $ 700,389 and $ 274,085, respectively.

12 *Goodwill, intangible assets, and other long-lived assets*

The Company accounts for goodwill and intangible assets in accordance with ASC 350, Intangibles – Goodwill and Other ("ASC 350"). ASC 350 requires that goodwill and other intangibles with indefinite lives should be tested for impairment annually or on an interim basis if events or circumstances indicate that the fair value of an asset has decreased below its carrying value. In the evaluation of goodwill for impairment, the Company typically performs a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the goodwill is more likely than not impaired. If a quantitative assessment is made, the Company compares the fair value of the reporting unit to the carrying value and, if applicable, record an impairment charge based on the excess of the reporting unit's carrying amount over its fair value.

The Company reviews the carrying amounts of long-lived assets, other than goodwill and intangible assets not subject to amortization, for potential impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In evaluating recoverability, the Company groups assets and liabilities at the lowest level such that the identifiable cash flows relating to the group are largely independent of the cash flows of other assets and liabilities. The Company then compares the carrying amounts of the assets or asset groups with the related estimated undiscounted future cash flows. In the event impairment exists, an impairment charge is recorded as the amount by which the carrying amount of the asset or asset group exceeds the fair value.

The estimated useful life used to determine amortization is:

Brands	20-25 years
Trademarks	5-25 years
Technical knowhow	20-25 years
Customer relationship	8-10 years

13 *Operating leases*

The Company adopted Accounting Standard Codification ("ASC") Topic 842, "Leases" ("ASC 842") as of January 01, 2020, using the modified retrospective method.

The Company determines whether an arrangement is or contains a lease at contract inception. All of the Company's leases are classified as operating leases, which are included in operating lease right-of-use assets and operating lease liabilities in the Company's balance sheet.

Right-of-use assets (ROU) and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

The Company estimates its incremental borrowing rate for each lease using the average incremental borrowing rate on the borrowings availed by the Company.

Management makes certain estimates and assumptions regarding each new lease and sublease agreement, renewal, and amendment, including, but not limited to, property values, market rents, property lives, discount rates and probable term, all of which can impact –

1) the classification and accounting for a lease or sublease as operating or finance, including sales-type and direct financing;
2) the rent holiday and escalations in payment that are taken into consideration when calculating straight-line rent;
3) the term over which leasehold improvements for each dental property are amortized; and
4) the values and lives of adjustments to the initial ROU asset where the Company is the lessee, or favorable and unfavorable leases where the Company is the lessor.

The amount of depreciation and amortization, interest and rent expense reported would vary if, different estimates and assumptions were used.

Leases with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

14 *Income taxes*

In accordance with the provisions of FASB ASC Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized. All deferred tax assets and liabilities, along with any related valuation allowance, are classified as non-current on the balance sheet.

15 *Fair value measurements and financial instruments*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and short-term and long-term borrowings. The estimated fair value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and borrowings approximate their carrying amounts of these instruments. None of these instruments are held for trading purposes.

16 Debt issuance costs

Per FASB ASC 835-30, ASU No. 2015-03, the debt issuance cost related to recognized debt liability is presented in the balance sheet as a direct deduction from the debt liability consistent with the presentation of debt discount, thereby reducing the proceeds of borrowing and increasing the effective interest rate.

17 Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities not recorded are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

18 Recently issued and adopted accounting standards

In February 2016, the FASB issued ASU No. 2016-02, Leases. As of January 1, 2020, the Company adopted the Financial Accounting Standards Board's (the "FASB") Accounting Standards Update("ASU") No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"), which modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements. The Company adopted the new leases standard utilizing the modified retrospective transition method, under which amounts in prior periods presented were not restated. As a result of the Company's adoption of ASC 842, the Company recognized right-of-use of assets and lease liabilities amounting to $ 4,350,804 and $ 4,480,978, respectively on its balance sheet as at January 01, 2020.

Collaborative Arrangements (Topic 808). Clarifying the Interaction between Topic 808 and Topic 606. The amendments in ASU 2018-18 make targeted improvements to U.S. GAAP for collaborative arrangements by clarifying that certain transactions between collaborative arrangement participants should be accounted for as revenue under Topic 606 when the collaborative arrangement participant is a customer in the context of a unit of account. In those situations, all the guidance in Topic 606 should be applied, including recognition, measurement, presentation, and disclosure requirements. In addition, unit-of-account guidance in Topic 808 was aligned with the guidance in Topic 606 (that is, a distinct good or service) when an entity is assessing whether the collaborative arrangement or a part of the arrangement is within the scope of Topic 606. ASU 2018-18 is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The adoption of this standard did not impact the financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820) Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements on fair value measurements. The updated guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for any removed or modified disclosures. The adoption of this standard did not impact the financial statements.

19 Recently issued accounting standards not yet adopted

In August 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments. The new guidance applies to all financial instruments carried at amortized cost (including loans held for investment (HFI) and held-to-maturity (HTM) debt securities, as well as trade receivables and receivables that relate to repurchase agreements and securities lending agreements), a lessor's net investments in leases, and off-balance-sheet credit exposures not accounted for as insurance or as derivatives, including loan commitments, standby letters of credit, and financial guarantees. The guidance is effective for annual periods beginning after December 15, 2022. Early adoption is permitted. The Company is currently assessing the impact of the adoption of this guidance on its financial statements and disclosures.

NOTE C - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivable. By their nature, all accounts receivable involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of December 31, 2021 and 2020, there was no significant risk of loss in the event of non-performance of the counter parties to these accounts receivable. Furthermore, the Company believes it is not exposed to any significant risk on cash and cash equivalents.

Three customers having greater than 10% of accounts receivable accounted for approximately 67% (previous year end, three customers for 46%) of total accounts receivable.

Three vendors having greater than 10% of the accounts payable accounted for 61% (previous year end, three vendors accounted for 71%) of total accounts payable. The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms.

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NOTE D - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Cash in hand	2,908	2,221
Balances with banks	1,150,728	331,254
Total	**1,153,636**	**333,475**

Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 (previous year – $ 250,000) for each insured bank for each account per depositor.

NOTE E - ACCOUNTS RECEIVABLE, NET

Accounts receivable as at December 31, 2021 and 2020 represent dues from customers on product sales of $181,477,204 (December 2020 - $ 162,574,655). Accounts receivable as at December 31, 2021 and 2020 are stated net of provision for doubtful accounts and other provisions and includes trade receivables from related parties.

	As at	
	December 31, 2021	**December 31, 2020**
Accounts receivable	**55,939,537**	**46,445,429**
Less: provision for doubtful accounts	(1,549,239)	(1,468,033)
Less: provision for chargebacks, rebates and others	(20,036,598)	(13,830,628)
Accounts receivable, net	**34,353,700**	**31,146,768**

The movement in provision for doubtful accounts during the year was as follows:

	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	**(1,468,033)**	**(1,587,605)**
(Provision)/Reversal for the year	(81,206)	119,572
Balance at the end of the year	**(1,549,239)**	**(1,468,033)**

The activity in provision for chargebacks, rebates, discounts and others is given below:

	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	**(13,830,628)**	**(13,916,873)**
Net provision for chargebacks and rebates, etc.	(114,400,023)	(60,915,304)
Chargebacks, rebates and others, claimed and utilized	108,194,053	61,001,549
Balance at the end of the year	**(20,036,598)**	**(13,830,628)**

NOTE F - INVENTORIES, NET

Major classes of inventory are as follows:

	As at	
	December 31, 2021	**December 31, 2020**
Raw material	11,968,950	12,482,047
Work in progress	4,809,229	9,145,896
Finished goods	37,517,242	40,896,370
Less: provision for obsolete and slow-moving inventory	(4,397,605)	(1,786,970)
Total	**49,897,816**	**60,737,343**

The activity in provision for obsolete and slow-moving inventory is given below:

	December 31, 2021	December 31, 2020
Balance at beginning of the year	(1,786,970)	(1,863,467)
(Provision)/Reversal in provision for obsolete and slow-moving inventory during the year	(2,610,635)	76,497
Balance at the end of the year	**(4,397,605)**	**(1,786,970)**

NOTE G - OTHER CURRENT ASSETS

Other current assets comprise the following:	As at	
	December 31, 2021	December 31, 2020
Security deposits	15,953	81,678
Due from related parties	206,631	99,329
Prepaid expenses	1,330,091	1,141,883
Advances paid to collaborative partners	1,200,000	-
Advance tax	-	196,651
Other receivables	62,280	1,571,252
Total	**2,814,955**	**3,090,793**

NOTE H - LEASES

The table below presents the classification of the operating lease and finance lease assets and liabilities:

Leases	Balance Sheet classification	As at	
		December 31, 2021	December 31, 2020
Assets			
Operating lease right-of-use assets	Non-current asset	6,952,753	4,021,847
Liabilities			
Operating lease liabilities	Non-current liabilities	6,684,584	3,977,030
	Current liabilities	658,566	230,388
		7,343,150	**4,207,418**

The components of lease cost for operating lease for the year ended December 31, 2021 and 2020 are summarized below:

	For the year ended	
	December 31, 2021	December 31, 2020
Operating lease expense*	1,023,519	546,720
	1,023,519	**546,720**

*Operating lease expense has been recognized in the statements of income under the head "selling, general & administrative expenses"

The following table contains supplemental cash flow information related to leases for the years ended December 31, 2021 and December 31, 2020:

	For the year ended	
	December 31, 2021	**December 31, 2020**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating expenses	818,694	491,323
Right-of-use operating lease assets obtained in exchange for lease obligations	3,587,626	4,350,804

The Company has taken an office space, warehouse and equipment under operating leases which have non-cancellable terms through December 2032. Generally, the leases have optional renewal clauses to extend the terms of the various leases for periods ranging from 5 to 10 years, at the discretion of the Company. Future minimum payments under non-cancellable operating lease are as follows:

Year ended December 31,	Amount ($)
2022	1,010,692
2023	1,028,366
2024	1,044,034
2025	1,069,755
2026, and onwards	5,041,107
Total minimum lease payments	**9,193,954**
Less: imputed interest	(1,850,804)
Operating lease liabilities	**7,343,150**

	As at	
	December 31, 2021	**December 31, 2020**
Weighted average remaining lease terms (years) – operating leases	8.86	11.88
Weighted average – discount rate	5.00%	5.00%

NOTE I - PROPERTY, PLANT AND EQUIPMENT, NET

	As at	
	December 31, 2021	**December 31, 2020**
Machinery and equipment	59,625,799	57,409,449
Equipment with customers	90,476,161	81,875,397
Computers	1,598,764	505,352
Furniture and fixtures	2,417,565	2,257,082
Building	6,976,196	7,015,428
Leasehold improvements	565,000	565,000
Vehicles	49,000	83,800
Construction in progress	3,790,517	3,786,574
	165,499,002	**153,498,082**
Less: accumulated depreciation	(106,058,471)	(94,059,893)
Property, plant and equipment, net	**59,440,531**	**59,438,189**

Depreciation expense for the year ended December 31, 2021 was $ 12,872,668 (December 2020 $ 9,585,642).

During the year ended December 31, 2021 and December 31, 2020, the Company has written off fixed assets with a gross block value of $ 716,601 and $ 706,697, respectively, and recorded a loss amounting to $ 193,552 and $66,892, respectively.

NOTE J - INTANGIBLE ASSETS, NET

Intangible assets include the following:

	As at December 31, 2021	As at December 31, 2020
Brands	125,291,221	125,291,221
Trademarks	1,036,685	1,036,685
Customer relations	8,221,845	8,221,845
Technical knowhow	22,711,622	20,511,622
Less: Accumulated amortization	(23,054,570)	(14,097,003)
Intangible assets, net	**134,206,803**	**140,964,370**

Amortization expense for the year ended December 31, 2021 is $ 8,957,567 (December 2020: $ 8,830,543). The Company's estimate of annual amortization expense for the next five years and thereafter for other intangible assets is as follows:

Year ended December 31	Brands	Customer relations	Technical knowhow	Total
2022	5,553,689	1,087,546	2,309,075	8,950,310
2023	5,553,689	1,087,546	1,926,614	8,567,849
2024	5,553,689	1,087,546	1,156,964	7,798,199
2025	5,553,689	1,087,546	900,414	7,541,649
2026	5,553,689	1,087,546	900,414	7,541,649
2027, and onwards	84,564,169	246,510	8,996,468	93,807,147
Total	**112,332,614**	**5,684,240**	**16,189,949**	**134,206,803**

NOTE K - OTHER ASSETS

Other assets comprise the following:

	As at December 31, 2021	As at December 31, 2020
Security deposits	566,752	-
Other receivables	750,000	-
Total	**1,316,752**	**-**

NOTE L - RESEARCH AND DEVELOPMENT EXPENSES

The Company uses its manufacturing facility and other resources for research and development activities in addition to using the same for its commercial production activities. The Company also pays upfront milestone payments to collaborative partners. The Company has incurred an amount of $ 5,197,035 and $ 1,978,761 for research and development activities out of its operating expenses for the years ended December 31, 2021 and December 31, 2020, respectively.

NOTE M - OTHER CURRENT LIABILITIES

Other current liabilities include:

	As at	
	December 31, 2021	**December 31, 2020**
Accrued expenses	2,708,806	1,742,552
Employee related liabilities	3,303,032	1,620,311
Provision for tax	3,379,249	-
Due to related parties	338,687	485,635
Others	-	24,120
Total	**9,729,774**	**3,872,618**

NOTE N - BORROWINGS

The Company has obtained long term loans from its Parent Company, PNC Bank, City National Bank of Florida, Fifth Third Bank, Citizens Bank and JP Morgan Chase Bank. The following table summarizes the loans:

	As at	
	December 31, 2021	**December 31, 2020**
Short-term borrowings, including current portion of long-term borrowings		
Revolver	1,011,592	7,511,592
Term loans, current portion	15,003,500	14,000,000
Notes payable, current portion	4,510,922	3,704,066
Long-term borrowings, non-current portion		
Term loans	102,627,435	103,891,161
Piramal Healthcare Inc.	50,495,016	50,495,016
Notes payable	11,789,536	13,463,477
Total	**185,438,001**	**193,065,312**

Bank loan

The Company obtained a five-year term loan from JP Morgan Chase Bank on August 27, 2019 for $140,000,000, of which the balance outstanding as on December 31, 2021 was $ 104,250,935 (December 2020: $ 117,891,161). The debt issuance cost on the aforesaid loan is presented as a deduction from the loan thereby reducing the proceeds of borrowing and increasing the effective interest rate to 3.31% (December 31, 2020: 3.82%). The interest expense for the year ended December 31, 2021 is $ 3,486,960 (December 31, 2020: $5,028,302).

On October 6, 2021, the Company obtained an additional term loan facility of $ 25,000,000 from JP Morgan Chase Bank, of which the Company has drawn an aggregate of $ 13,380,000 in two tranches of $ 3,000,000 and $10,380,000, on October 06, 2021 and December 17, 2021, respectively. The interest rate as on December 31, 2021 was 2.88%. The interest expense for the year ended December 31, 2021 is $ 33,278 (December 31, 2020: $ Nil).

All the assets of the Company (except equipment's financed through PNC Bank, City National Bank of Florida, Fifth Third Bank and Citizens bank) are collateralized against the term loan from JP Morgan Chase Bank.

In addition, the Company obtained a revolving loan facility on August 27, 2019. The term length of the revolving loan facility is for a period of 5 years. As at December 31, 2021, the Company had an outstanding balance of $1,011,592 (December 31, 2020: $ 7,511,592) on the revolving loan facility and could borrow up to $ 40,000,000. The interest rate as on December 31, 2021 was 2.88% (December 31, 2020: 4.16%).

Notes payable
The Company obtained three term notes from banks amounting to $ 6,657,060 during the year ended December 31, 2019. The notes bear annual interest rates in the range of 4.72%-4.96%.

The Company obtained six term notes from banks amounting to $12,849,178 during the year ended December 31, 2020. The notes bear annual interest rates in the range of 3.25%-3.34%.

During the year ended December 31, 2021, the Company obtained two term notes from banks amounting to $3,365,373 The notes bear annual interest rates in the range of 3.25%-3.27%.

The term of all notes is five years. The interest expense for the year ended December 31, 2021 is $ 662,220 (December 31, 2020: $ 352,540). The outstanding balance of the notes as at December 31, 2021 is $ 16,300,458 (December 31, 2020: $ 17,167,543).

Future minimum principal payments for the term loans and notes payable are as follows :-

Year ended December 31,	Amount ($)
2022	19,514,422
2023	20,022,446
2024	92,113,305
2025	2,900,428
2026	129,857
	134,680,458
Less: Unamortized debt issuance cost	(749,065)
Total	**133,931,393**

Loan from Piramal Healthcare Inc. ("PHI")
The Company, at the end of the year, has a long-term debt of $ 50,495,015 (December 31, 2020: $ 50,495,015) from PHI. PHI charges interest on this loan at a variable rate. The interest rate at the end of the year i.e., on December 31, 2021 was 2% (previous year, 2%) per annum. The interest expense for the years ended December 31, 2021 & 2020 was $ 1,000,531 and $ 1,014,904 respectively.

NOTE O - COMMITMENTS AND CONTINGENCIES

Capital commitments
As of December 31, 2021, and 2020, the Company has committed to spend $ 862,831 and $ 1,833,500, respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of these purchases.

Litigations and claims
On June 9, 2021, the Company received a Notice of Potential Violations and Opportunity to Confer from the United States Environmental Protection Agency (EPA). The Notice set forth six potential violations, including, without limitation, operation of a hazardous waste storage facility without a permit. The EPA has provided the Company an opportunity to meet and confer with the EPA to explain the violations and/or why an administrative complaint or penalty should not be issued. The Notice did not confirm that any actual violations had occurred or that an administrative complaint would definitively be issued; however, the management of the Company has recognized a liability based on an initial estimate in the range of $ 50,000 to $ 200,000. A meeting was held between the Company and EPA on August 11, 2021 whereby the Company provided its defences and positions regarding the alleged violations.

Subsequent to the balance sheet date, the Company and the EPA have planned to enter into a consent agreement whereby the Company has agreed to pay $ 58,031 in resolution of the observations and alleged violations noted by the EPA as a result of their inspection. The Company has provided for such amount as on December 31, 2021.

NOTE P - INCOME TAXES

For the year ended December 31, 2021, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America. The Company is a member of Piramal Healthcare Inc. consolidated federal tax group.

The Company files combined state tax returns with affiliated companies in certain states while in certain states, the Company files the tax returns at the standalone level.

The components of the provision for income tax are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
Current taxes		
Federal	8,867,846	1,317,723
State	1,309,964	519,850
	10,177,810	**1,837,573**
Deferred taxes		
Federal	(3,676,252)	4,355,308
State	(358,811)	812,915
	(4,035,063)	**5,168,223**
		-
Total	**6,142,747**	**7,005,796**

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income tax are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
Income tax at federal rate	5,260,952	6,111,416
State tax, net of federal effect	826,768	931,825
Return to provision adjustment	324,834	7,527
Permanent differences	(227,202)	(174,496)
Current tax true-up	-	(189,437)
Change in valuation allowance	(42,605)	318,961
Total	**6,142,747**	**7,005,796**

Significant components of the Company's net deferred income taxes are as follows:

	As at	
	December 31, 2021	December 31, 2020
Non-current deferred tax liabilities		
Property, plant and equipment	(9,785,232)	(10,816,257)
Goodwill	(1,063,163)	(701,547)
Unrealized foreign exchange gain/loss	-	(218,101)
	(10,848,395)	**(11,735,905)**

Non-current deferred tax assets		
Accounts receivable	1,915,889	1,621,720
Accrued expenses & reserves	5,088,982	2,805,387
Inventories	653,896	543,667
Intangibles other than goodwill	2,320,182	1,853,243
Net operating losses carried forward	832,950	978,537
Unrealised foreign exchange gain/loss	95,604	-
	10,907,503	**7,802,554**
Net deferred taxes	**59,108**	**(3,933,351)**
Less: deferred tax asset valuation allowance	(276,356)	(318,961)
Net deferred taxes after tax allocation	**(217,248)**	**(4,252,312)**
Components of net deferred taxes		
Net non-current portion	(217,248)	(4,252,312)
Total	**(217,248)**	**(4,252,312)**

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

The Company has federal net operating loss (subject to IRC Section 382 restrictions) available of $ 2,273,635 and $2,598,438 as on December 31, 2021 and December 31, 2020 respectively, which if unutilized will expire beginning from the year 2022. The Company has state net operating loss available of $ 7,445,396 and $7,941,811 as on December 31, 2021 and December 31, 2020, which if unutilized will expire based on respective state statutes.

The Company has no R&D credit carryforwards as on December 31, 2021.

The Company is party to a Tax Sharing Agreement, with an effective date of January 1, 2018, with Piramal Healthcare Inc. ("PHI"). The Tax Sharing Agreement sets forth, among other things, each of the Company's and PHI obligations in connection with filing consolidated federal, state and foreign tax returns. The agreement provides that current income tax expense (benefit) is computed on a separate return basis and members of the tax group shall make payments (or receive reimbursement) to or from PHI to the extent their income (losses and other credits) contribute to (reduce) the consolidated income tax expense. The consolidating companies are reimbursed for the net operating losses or other tax attributes they have generated when utilized in the consolidated returns. The Company may recognize a benefit in the calculation of its provision for income taxes to the extent that foreign tax credits, capital losses and other tax attribute generated by the Company can be utilized both on a separate company basis and in the consolidated or combined tax returns of PHI. As of December 31, 2021 the Company has a balance receivable of $ 603,276 from PHI with respect to federal taxes and state taxes respectively under the Tax Sharing Agreement.

Per the Tax Sharing Agreement, for all taxable years from January 1, 2018 in which the Company is included in the consolidated group, PHI shall pay the entire federal income tax liability of the consolidated group and shall indemnify and hold harmless the Company against any such liability; provided, however, that the Company shall make payments to or receive payments from PHI as provided in the Tax Sharing Agreement for any taxable year during which the Company is included in the consolidated group.

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at December 31, 2021 and December 31, 2020.

The tax years of 2018 through 2020 remain subject to examination by the taxing authorities.

NOTE Q - EMPLOYEE BENEFIT PLANS

The Company contributes 100% of the salary deferrals to the extent that they do not exceed 5% of the compensation. The total expense for employee retirement benefit plans for the year ended December 31, 2021 was $ 758,371 (December 31, 2020: $ 659,473).

Effective January 1, 2010, the Company established a severance plan for all eligible employees.

NOTE R - SHARE BASED COMPENSATION ARRANGEMENTS

Cash settled stock appreciation rights ("SAR")

The Company in 2014 introduced a compensation scheme, to award the scheme participants (employees), a cash reward equivalent to the difference in the base share price of Piramal Enterprises Limited, pre-determined in the agreement and the share price of Piramal Enterprises limited as on each vesting date which shall be paid to the participant, subject to the performance conditions specified in the plan document. Following is the summary of the ongoing schemes as at December 31, 2021:

Scheme name	SARs	Base price - Piramal Enterprises Limited	Weighted average remaining contractual life
F – 20	1,604	INR 1,532	12 months

The reconciliation for SARs issued is given below:

	For the year ended	
	December 31, 2021	**December 31, 2020**
Opening balance	**1,604**	**-**
Granted	-	1,604
Exercised	(802)	-
Cancelled	-	-
Balance	**802**	**1,604**

The fair value of the SARs outstanding has been estimated as of December 31, 2021 using the Black-Scholes single option pricing model. Assumptions used by the Company for valuing the options granted during the year ended December 31, 2021, are as follows:

Valuation and amortization method – The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing formula. The fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period.

Expected term – The expected term represents the period that the Company's stock-based awards are expected to be outstanding. The Company has estimated the expected term to be the time remaining until vesting.

Expected volatility – Management establishes volatility for option grants by evaluating the average historical volatility of PEL for the period immediately preceding the option grant for a term that is approximately equal to the option's expected term. Management believes historical volatility to be the best estimate of future volatility. Volatility will be analysed on every reporting date unless management becomes aware of events that would indicate more frequent analysis is necessary.

Risk-free interest rate – The risk-free interest rate used in the Black-Scholes valuation method is based on the implied yield currently available on U.S. Treasury Bonds with an equivalent remaining term.

Expected dividend – The dividend yield considered for each tranche is computed based on PEL's average dividend yield for a period equal to the remaining life of the SARs in each tranche.

As of December 31, 2021 and December 31, 2020, there was $ 13,559 and $ 29,691, respectively, of liability classified share-based compensation expense for the SARs included in other current liabilities on the balance sheets.

Share-based compensation expense of $ Nil and $ 29,691 have been recorded for the years ended December 31, 2021 and December 31, 2020, respectively, in the statements of income, under the head "Selling, general and administrative expenses"

NOTE S - RELATED PARTY TRANSACTIONS

The Company had transactions with –

A) Ultimate Parent Company
1.Piramal Enterprises Limited, India

B) Parent Company
1. Piramal Healthcare Inc.

C) Other related parties where common control exists
1. Piramal Glass USA Inc
2. Piramal Pharma Inc.
3. Convergence Chemicals Private Limited
4. Piramal Critical Care UK Ltd
5. Piramal Healthcare UK Ltd
6. Piramal Critical Care Italia S.P.A
7. Piramal CC Deutschland GmbH
8. Ash Stevens LLC
9. Piramal Pharma Solutions Inc.
10. Piramal Critical Care S Africa Pty
11. Piramal Critical Care BV
12. Piramal Corporate Services Pvt Limited
13. Piramal Pharma Limited
14. Piramal Critical Care Pty Limited
15. PEL Healthcare LLC

Piramal Pharma Limited ('PPL')

The Company has made sale of finished goods to PPL amounting to $ 3,036,036 and $ Nil during the years ended December 31, 2021 and 2020, respectively. Along with sales, the Company has also purchased goods from PPL amounting to $ 11,452,021 and $ Nil during the years ended December 31, 2021 and 2020, respectively. The net outstanding receivable as at December 31, 2021 is $ 646,061 and as at December 31, 2020 is $ Nil.

Piramal Enterprises Limited ('PEL')

The Company has a vendor-customer relationship with PEL ('Ultimate Parent Company'). The Company has made sales of finished goods to PEL amounting to $ Nil and $ 3,420,015 during the years ended December 31, 2021 and 2020, respectively. Along with sales, the Company has also purchased goods from PEL amounting to $ Nil and $14,612,998 during the years ended December 31, 2021 and 2020, respectively. PEL & PCCI both have incurred certain expenses on behalf of each other during the years ended December 31, 2021 and 2020. The net outstanding payable as at December 31, 2021 is $ 83,757 and net outstanding payable as at December 31, 2020 is $ 1,210,325.

Piramal Critical Care UK Limited ('PCC UK')

The Company has made sale of finished goods to PCC UK amounting to $ Nil and $ 8,642,553 during the years ended December 31, 2021 and December 31, 2020, respectively. The net outstanding receivable as at December 31, 2021 and 2020 is $ 1,958,515 and $ 6,954,942, respectively.

The Company has granted a loan facility of $ 3,000,000 during the year ended December 31, 2021. The loan receivable and interest receivable as at December 31, 2021 is $ 3,000,000 and $ 2,404, respectively. The loan receivable and interest receivable have been presented in the balance sheets under the head "Loans to related parties - non-current" and "Other current assets", respectively. Interest income thereon during the year ended December 31, 2021 is $ 2,404, which is presented in the statements of income under the head "Other income, net of other expenses".

Piramal Healthcare UK Ltd ('PHUK')

The Company has incurred certain expenses on behalf of PHUK during the years ended December 31, 2021 and December 31, 2020. The net balance receivable outstanding as at December 31, 2021 and December 31, 2020 is $175,641 and $ 246,879, respectively.

Piramal Critical Care BV ('PCC BV')

The Company sells finished goods to PCC BV amounting to $ 8,024,708 and $ 4,268,794 during the years ended December 31, 2021 and 2020, respectively. The balance receivable from PCC BV as at December 31, 2021 and 2020 is $ 8,246,259 and $ 4,374,551, respectively.

The Company has also granted a loan facility of $ 6,500,000 during the year ended December 31, 2021. The loan receivable and interest receivable as at December 31, 2021 is $ 6,500,000 and $ 204,277, respectively. The loan receivable and interest receivable have been presented in the balance sheets under the head "Loans to related parties - non-current" and "Other current assets", respectively. Interest income thereon during the year ended December 31, 2021 is $ 204,227, which is presented in the statements of income under the head "Other income, net of other expenses".

Piramal Critical Care South Africa Pty ('PCC SA')

PCC SA has incurred certain expenses on behalf of the Company during the years ended December 31, 2021 and 2020. The balance payable as at December 31, 2021 and 2020 is $ 51,939 and $ 47,100, respectively.

Piramal Corporate Services Private Limited ('PCSPL')

The Company makes royalty payments to PCSPL for usage of the Piramal logo and brand and the amount outstanding as at December 31, 2021 and December 31, 2020 is $ Nil and $ Nil, respectively. There is also a provision created for royalty payable to PCSPL amounting to $ 338,687 and $ 139,878 as at December 31, 2021 and December 31, 2020, respectively.

Convergence Chemicals Private Limited ('CCPL')

The Company has made purchases from CCPL during the years ended December 31, 2021 and 2020 for raw materials amounting to $ 18,250,000 and $ 15,420,000, respectively. The amount payable as at December 31, 2021 and 2020, is $ 2,750,000 and $ 1,800,000, respectively. Goods in transit as at December 31, 2021 and 2020 amounts to $ 1,100,000 and $ 600,000, respectively.

Piramal Glass USA Inc ('PGUI')

The Company has made purchases of glass bottles from PGUI amounting to $ 242,259 and $ 918,788 for the years ended December 31, 2021 and December 31, 2020, respectively. Additionally, PCCI and PGUI have incurred certain expenses on behalf of each other during the years ended December 31, 2021 and December 31, 2020. The net payable balance outstanding as at December 31, 2021 and December 31, 2020 is $ Nil and $ 47,987, respectively.

Ash Stevens LLC

The Company and Ash Stevens have incurred some expenses on behalf of each other during the years ended December 31, 2021 and December 31, 2020. The net balance receivable as at December 31, 2021 and 2020 is $228,509 and $ 105,478, respectively.

Piramal Pharma Solutions Inc. ('PPSI')

The Company has incurred some expenses on behalf of PPSI during the years ended December 31, 2021 and December 31, 2020. In the previous year, the entire balance receivable from PPSI was transferred to Ash Stevens. The balance receivable as at December 31, 2021 and 2020 is $ 438 and $ Nil, respectively.

Piramal Critical Care Pty Limited

Piramal Critical Care Pty Limited has incurred some expenses on behalf of the Company during the year ended December 31, 2021. The balance payable as at December 31, 2021 and 2020 is $ 4,720 and $ Nil respectively.

PEL Healthcare LLC

The Company has incurred some expenses on behalf of PEL Healthcare LLC during the year ended December 31, 2021. The balance receivable as at December 31, 2021 and 2020 is $ 4,867 and $ Nil, respectively.

Piramal Pharma Inc. ('PPI')

The Company has incurred some expenses on behalf of PPI during the years ended December 31, 2021 and December 31, 2020. The balance receivable as at December 31, 2021 and 2020 is $ Nil and $ 87,465, respectively.

Piramal Healthcare Inc. ('PHI')

The Company files a federal and state tax return with its Parent Company, PHI. The tax allocated to the parent company included in additional paid in capital amounts to $ 12,276,094 in the current year (December 31, 2020: $12,276,094).

Under the tax sharing agreement, the amount receivable from PHI as of December 31, 2021 was $ 603,276 with respect to federal taxes and state taxes (December 31, 2020: payable balance of $ 662,558).

The Company also has other payables & receivables on account of expenses and interest on loan taken from PHI. The net receivable as at December 31, 2021 is $ Nil and net payable as at December 31, 2020 is $ 485,635 , respectively.

All the above balances form part of accounts receivable, accounts payable, other current assets, other current liabilities and loans to related parties - non-current.

These related party transactions are in the normal course of business operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

NOTE T - STOCKHOLDER'S EQUITY

Common stock issued as at December 31, 2021 was $1,000 par each. (December 2020: 10,000 shares of $ 1,000 par each)

The Company paid dividend amounting to $ 13,380,000 to it's Parent Company during the year ended December 31, 2021 (December 31, 2020: $ Nil).

Agile product asset-acquisitions

On June 07, 2019, the Company purchased the Agile product portfolio ("Agile") from Piramal Critical Care UK LTD for $ 7,699,000. The assets were transferred at book value and excess paid was applied against equity in the Company's books since this was a transaction between entities under common control as per ASC 805-50. Also, the assets represented research & development expenses previously incurred, hence the entire amount was recognized as a decrease in the equity balance of the Company.

The Company recorded a tax impact of $ Nil and $ 1,033,580 in additional paid-in-capital for the years ended December 31, 2021 and December 31, 2020, respectively, on account of the Agile transaction.

NOTE U - REVENUE FROM CONTRACT WITH CUSTOMERS

The Company's contracts with customers are comprised of purchase orders along with standard terms and conditions. These contracts with customers typically consist of sale of products which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The following table disaggregates revenue based on geographical regions:

	For the year ended	
	December 31, 2021	**December 31, 2020**
North America	133,877,264	119,600,924
South & Central America	13,282,336	7,436,077
Asia	11,032,108	14,001,114
Europe	10,421,454	15,199,162
Middle East	9,150,681	3,414,409
Africa	3,713,361	2,922,969
Total	**181,477,204**	**162,574,655**

NOTE V - RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

The management of the Company has also evaluated the possible effect of COVID – 19 on the carrying amount of accounts receivables and other assets and believes that the current COVID-19 scenario is not/will not materially impact the financial statement of the Company for the year ended on December 31, 2021. The Company will continue to monitor developments to identify significant uncertainties surrounding COVID-19 and its impact on performance of the Company for future periods.

NOTE W - FAIR VALUE MEASUREMENTS

The Company's financial instruments consist primarily of long-term and short-term borrowing, cash and cash equivalents, prepaid expenses, accounts receivable, accounts payable, and accrued expenses, the fair values of which approximate their carrying values. As a policy, the Company does not engage in speculative or leveraged transactions.

NOTE X - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 22, 2022, which is the date the financial statements were available to be issued.

The Company paid an additional dividend of $ 11,620,000 to PHI in January 2022.

The Company and the EPA have planned to enter into a consent agreement whereby the Company has agreed to pay $ 58,031 in resolution of the observations and alleged violations noted by the EPA as a result of their inspection.

No other material subsequent event has been noted.

Report of the statutory auditor on the limited statutory examination

to the general meeting of
Piramal Technologies SA, Matran

on the financial statements 2021

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Piramal Technologies SA for the financial year ended 31 December 2021.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

We call your attention to the fact that the Company's liabilities exceed its assets on the basis of book values. As the shareholder has subordinated claims of CHF 4'100'000 to the claims of all other creditors, the Board of Directors have not notified the court, as permitted under article 725.2 of the Swiss Code of Obligations.

Lucerne, 9 February 2022
cbi/ksp

Lufida Revisions AG

Christian Bieli	Kilian Spörri
Swiss certified auditor	Swiss certified auditor
Licensed audit expert	Licensed audit expert
Auditor in charge	

Financial statements 2021
- Balance sheet as at 31st December 2021
- Income statement 2021
- Notes 2021

Piramal Technologies SA, Matran, Switzerland

ANNUAL FINANCIAL STATEMENT AS OF DECEMBER 2021
Swiss francs

BALANCE SHEET

ASSETS	**31.12.2021** CHF	**31.12.2020** CHF
Cash	5'165'668	3'707'870
	5'165'668	3'707'870
Fixed Assets		
Investments	-	2'915'898
	-	2'915'898
Total Assets	**5'165'668**	**6'623'768**

LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Long Term Liabilities		
Loan from Group subordinated	4'100'000	3'700'000
Short Term Liabilities		
Accrued expenses	1'705'841	5'000
Interest payable	32'551	1'911'127
Interest bearing loans from Group	3'374'209	4'667'438
	9'212'601	10'283'565
Shareholders' equity		
Share Capital	3'300'000	3'300'000
Cumulated result:		
Result brought forward	(6'959'797)	(4'146'701)
Result of the period	(387'136)	(2'813'096)
	(4'046'933)	(3'659'797)
Total Liabilities and shareholders' equity	**5'165'668**	**6'623'768**

Die Richtigkeit bescheinigt:

Ort, Datum: 9-2-22 Unterschrift:

Piramal Technologies SA, Matran, Switzerland

ANNUAL FINANCIAL STATEMENT AS OF DECEMBER 2021
Swiss francs

PROFIT AND LOSS ACCOUNT

Expenses	31.12.2021 CHF	31.12.2020 CHF
Interest on loans and advances	202'440	331'231
Rates and Taxes	3'013	44'262
Directors fees	2'500	2'500
Professional Fees	18'458	54'561
Realised exchange gain /loss	5'050	(1'953)
Unrealised exchange gain /loss	95'969	(3'696)
Impairment loss	57'462	936'575
Expected Loss on sale of asset	-	1'447'527
Financial expenses	2'244	2'089
Total expenses	387'136	2'813'096
Result of the period	(387'136)	(2'813'096)

Die Richtigkeit bescheinigt:

Ort, Datum: 9-2-22 Unterschrift:

NOTES TO THE FINANCIAL STATEMENTS

A. Incorporation and activity of the company

According to its memorandum of Incorporation, the Company's objects are as follows:

To acquire a stake in other companies

To set up branch offices or subsidiaries

To participate in other companies that bears a direct or indirect relation with its purpose, to purchase or found such companies,

In a general manner, to engage in any and all financial commercial or industrial personal or real estate activities conducive to furthering its development and that have a direct or indirect bearing to its purpose.

To enter into these transactions for its own account or for third parties, as a representative, as an agent or commission agent or to have third parties enter into such transactions for the company's account.

B. Summary of significant accounting policies

1) Accounting Principles

The Company follows accounting principles as per Swiss Obligation Code

2) Accounting for income and expenditure

Income and expenditure are accounted for an accrual basis, irrespective of when payments are received or made

3) Foreign currency translation

The accounting records are kept in Swiss francs. Transactions denominated in currencies other than Swiss francs are translated into Swiss francs at the exchange rates ruling at the date of the transactions.

At the closure of the balance sheet, short-term assets, this means bank accounts, which are express in another currency than the Swiss francs, are converted at the end of the year exchange rate.

Die Richtigkeit bescheinigt

Ort, Datum: 9-2-22 Unterschri

4) **Investments**

	31.12.2021 CHF	31.12.2020 CHF
Bluebird Aero Systems Ltd, Tel Aviv, Israel Holding : 27.83%	0	2'915'898

C. **Shareholders'equity**

Share Capital

The share capital is divided into 3'300 registered shares with a nominal value of CHF 1'000.00 each, fully issued and paid up.

D. **Equivalent employment Annual Average –** There are no employees in the company.

Die Richtigkeit bescheinigt:

Ort, Datum: J-2-22 Unterschrift

Piramal Dutch Holdings N.V.

located, Leiden

Report on the annual accounts
2021

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Financial statements

Balance sheet as at 31 December 2021
(Before distribution of result)

Assets

		31-12-2021		31-12-2020	
		$	$	$	$
Fixed assets					
Financial fixed assets	*1*	405.600.281		402.971.555	
			405.600.281		402.971.555
Current assets					
Receivables	*2*		10.736.929		13.923.181
Cash	*3*				
Bank account and fixed deposits			13.017.969		2.010.207
			429.355.179		418.904.943

Balance sheet as at 31 December 2021

Liabilities

		31-12-2021		31-12-2020	
		$	$	$	$
Shareholders' equity	*4*				
Issued share capital	*5*	226.657.922		226.657.922	
Other reserve		46.027.632		50.807.440	
Result for the year		- 8.221.525		- 4.779.808	
			264.464.029		272.685.554
Long-term liabilities					
Liabilities to bank	*6*	65.700.243		64.067.094,00	
Liabilities to shareholder	*7*	95.580.000		80.950.000	
			161.280.243		145.017.094
Current liabilities, accruals and deferred income					
Liabilities to group companies	*8*	3.481.918		1.044.261	
Other liabilities and accrued expenses	*9*	128.989		158.034	
			3.610.907		1.202.295
			429.355.179		418.904.943

Profit and loss account for the year 2021

			2021		2020
		$	$	$	$
Service Income - Exports			-		60.000
Personnel expenses	*11*	134.821		134.766	
Other operating expenses	*11*	1.128.556		794.988	
Total operating expenses			1.263.377		929.754
Operating result			- 1.263.377		- 869.754
Other interest and similar income	*12*	875.885		506.510	
Currency Exchange results	*13*	- 391.185		1.148.388	
Interest and similar expenses	*14*	- 7.442.848		- 5.564.952	
Financial income and expense			- 6.958.148		- 3.910.054
Result of ordinary activities before taxation			- 8.221.525		- 4.779.808
Taxation			-		-
			- 8.221.525		- 4.779.808
Share in result of participations			-		-
Net result after taxes			- 8.221.525		- 4.779.808

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Piramal Dutch Holdings N.V. is Bargelaan 200, 2333 CW in Leiden, The Netherlands. Piramal Dutch Holdings N.V. is registered at the trade register under number 56275471.

General notes

The most important activities of the entity

The activities of Piramal Dutch Holdings N.V. consist mainly of: financing and holding company.

The exemption of consolidation

Consolidation has not taken place, since Piramal Dutch Holdings N.V. makes use of article 408, Book 2 of the Dutch Civil Code and consequently will file the consolidated accounts of Piramal Enterprises Limited, Mumbai, India with the Commercial Register in Amsterdam, The Netherlands.

On that basis Piramal Dutch Holdings N.V. can be classified as a micro sized company.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Conversion of amounts denominated in foreign currency

Items included in the financial statements of Piramal Dutch Holdings N.V. are valued with due regard for the currency in the economic environment in which the corporation carries out most of its activities (the functional currency). The financial statements are denominated in USD; this is both the functional currency and presentation currency of Piramal Dutch Holdings N.V.

Foreign currency translation for the balance sheet

At the end of the reporting date, all monetary assets and liabilities denominated in foreign currencies are converted into USD at the rate of exchange prevailing at the balance sheet date, whereas non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate prevailing at the month of the transaction.

Accounting principles

Financial assets

Participations are valued at cost, and if applicable less impairments. Acquisition related expenditure is expensed in the year of incurring the same. Dividends are accounted for when received.

Net asset value of the participations is not presented as the company's management is of the opinion that in the light of the aforementioned application of Article 408, disclosure of such information would not enhance the insight in the company's financial position and results already provided by these financial statements together with the consolidated financial statements of Piramal Enterprises Limited, Mumbai, India.

Long-term liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the longterm debts.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet

	31-12-2021	31-12-2020
	$	$

Fixed assets

1 Financial fixed assets

	31-12-2021	31-12-2020
Participations in group companies	368.459.501	367.465.905
Receivables from group companies	37.140.780	35.505.650
	405.600.281	402.971.555

Participations in group companies

Name	Legal seat	Ownership	31-12-2021	31-12-2020
Piramal Critical Care B.V.	The Netherlands	100%	1.149.550	1.149.550
Piramal Pharma Solutions (Dutch) B.V.	The Netherlands	100%	-	-
Piramal Healthcare UK Ltd.	United Kingdom	100%	54.032.768	54.032.768
Piramal Healthcare Canada Ltd.	Canada	100%	36.815.517	36.815.517
Piramal Critical Care Deutschland GmbH	Germany	100%	11.958.611	10.965.015
Piramal Critical Care Italia S.P.A.	Italy	100%	6.593.415	6.593.415
PEL Pharma Inc.	United States of America	90%	9.046.380	9.046.380
Piramal Healthcare Inc., Delaware	United States of America	90%	226.667.410	226.667.410
Piramal Critical Care Limited	United Kingdom	100%	22.195.850	22.195.850
			368.459.501	367.465.905

Piramal Dutch Holdings N.V. has invested in Piramal Pharma Solutions (Dutch) B.V., however the cost of the investment is zero and hence, the value as at 31 December 2021 is nil.
Piramal Pharma Japan GK was incorporated on 5th November 2021 as a wholly owned subsidiary of Piramal Dutch Holdings N.V. with an authorized and issued capital of 10 million Yen, however the capital infusion was made in January 2022.

Receivables from group companies

	31-12-2021	31-12-2020
Receivables from Piramal Healthcare UK Ltd., UK	4.222.018	3.753.340
Receivables from Piramal Critcal Care B.V., NL	3.512.300	3.807.420
Receivables from Piramal Critical Care Limited, UK	4.436.040	4.436.040
Receivables from PEL Pharma INC, USA	21.218.850	20.758.850
Receivables from Piramal Pharma Solutions INC, USA	2.750.000	2.750.000
Receivables from Piramal Critical Care GmbH, GmbH	1.001.572	-
	37.140.780	35.505.650

	31-12-2021	31-12-2020
	$	$
Current assets		
2 Receivables		
Receivables from group companies	10.736.119	13.776.405
Advance tax	-	145.897
Prepaid expenses	811	879
	10.736.929	13.923.181

Receivables from group companies

Receivable from Piramal Healthcare UK Ltd., UK	19.889	339.981
Receivables from Piramal Critcal Care B.V., NL	184.396	135.974
Receivables from Piramal Critical Care Limited, UK	10.393.027	10.160.134
Receivables from PEL Pharma INC, USA	59.284	3.090.286
Receivables from Piramal Pharma Solutions INC, USA	46.019	18.519
Receivables from PEL Corporate	29.064	31.511
Receivables from Piramal Critical Care GMBH, GmbH	4.441	-
	10.736.119	13.776.405

3 Cash

HSBC EUR	103.320	100.550
HSBC USD	860.444	200.659
HSBC GBP	1.973	6.884
HSBC CHF	201	30.083
Debt Service Reserve Account / SBI Loan	12.052.031	1.672.031
	13.017.969	2.010.207

Debt Service Reserve Accounts balance pertains to the loan taken from State Bank of India during the period.

4 Shareholders' equity

Movements in equity were as follows:

	Issued share	Other reserve	Result for the year	Total
	$	$	$	$
Balance as at 1 January 2021	226.657.922	50.807.440	- 4.779.808	272.685.554
Result for the year	-	-	- 8.221.525	- 8.221.525
Appropriation of result	-	- 4.779.808	4.779.808	-
Balance as at 31 December 2021	226.657.922	46.027.632	- 8.221.525	264.464.029

5 Issued share capital

The authorised share capital of Piramal Dutch Holdings N.V. consist of 500.000.000 shares with a nominal value of EUR 1 each. The issued share capital as at 31 December 2021 consists of 203.189.531 shares all of which are fully paid.

	31-12-2021	**31-12-2020**
	$	**$**
6 Liabilities to bank		
State Bank of India, USD 255Mn loan facility	65.700.243	64.067.094
	65.700.243	64.067.094

In the previous year under review the company obtained a term-loan for a tenure of 60 months from State Bank of India during the period for $70.000.000. Interest is charged at a rate of 2.60% p.a. plus 3 months LIBOR, payable quarterly. There are fixed and floating charges over certain assets of the company. The ultimate parent company, Piramal Enterprises Limited , India, has also provided a guarantee for the loan.

Liabilities to bank

Principal amount	70.000.000	70.000.000
Paid processing fees	- 6.710.000	- 6.710.000
Cummulative amortisation	2.410.243	777.094
	- 4.299.757	- 5.932.906
	65.700.243	64.067.094

	31-12-2021	31-12-2020
	$	$

7 Liabilities to shareholder

Piramal Pharma Limited, India	85.200.000	80.950.000
PH Inc, USA	10.380.000	-
	95.580.000	80.950.000

The liability to Piramal Pharma Limited consist of an United states Dollar loan facility of 250,000,000 for a period of 3 years at a rate of 5.1% per annum starting from 01 September 2020. Effective from 01 April 2021 the interest rate has been changed to 4% per annum. The Liability to PH Inc consists of an United States Dollar loan facility at a rate of 2% per annum effective from 1st December 2021.

Current liabilities, accruals and deferred income

8 Liabilities to group companies

Interest payable on loan from:		
Piramal Dutch IM Holdco B.V.	38	42
Piramal Pharma Limited, India	3.481.880	1.044.219
	3.481.918	1.044.261

9 Other liabilities and accrued expenses

Other current accounts	88.445	88.464
Accruals and deferred income	40.544	69.570
	128.989	158.034

10 Commitments and Contingencies

Piramal Dutch Holdings N.V. has provided a continuing guarantee of an amount of GBP 2.45 million on behalf of Piramal Healthcare UK Ltd, a wholly-owned subsidiary of the Company in UK ('PH UK') in favour of Scottisch Enterprise in connection with a grant of GBP 2.45 million offered by the Scottisch Enterprise to PH UK towards expansion of its Pharma Solutions Site located at Grangemouth, Scotland.

Appropriation of result

The management of the company proposes to appropriate the result as follows:

The loss for the year 2021 in the amount of $ 8.221.525 will be deducted from the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2021 for the company.

Notes to the profit and loss account

	2021	2020
	$	**$**
11 Personnel expenses		
Wages and salaries	124.620	125.528
Social security charges and pensions cost	10.201	9.238
	134.821	134.766
General expenses		
Audit fees	23.228	14.753
Bank expenses	8.062	9.191
Additional VAT-collection	79.026	18.484
Other general expenses	1.008.250	752.527
Miscellaneous expenses	-	33
Rent office	9.990	-
	1.128.556	794.988
12 Other interest and similar income		
Interest income on intercompany loans	875.885	506.510
13 Currency Exchange results		
Currency exchange results	- 391.185	1.148.388
14 Interest and similar expenses		
Interest expenses to group companies	3.481.879	3.591.223
Interest on term loan from State Bank of India	3.610.969	1.796.332
Other borrowing cost	350.000	177.397
	7.442.848	5.564.952

18 May 2022
Piramal Dutch Holdings N.V.

DocuSigned by:
1C031E94DBF74FB...
P.D. DeYoung

DocuSigned by:
Martin Kruithof
9E067C128B774A4...
M. Kruithof

DocuSigned by:
FF2781A59A07422...
V.V. Agarwal

accountants
adviseurs

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of Piramal Dutch Holdings N.V. registered in Leiden

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2021 of Piramal Dutch Holdings N.V., based in Leiden.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Piramal Dutch Holdings N.V. as at December 31, 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the company balance sheet as at December 31, 2021;
2. the company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our Responsibilities for the Audit of the Financial Statements' section of our report.

We are independent of Piramal Dutch Holdings N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions as set out in the engagement letter. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding 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 a company to cease to continue as a going concern;

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

We communicate with the supervisory board, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Leusden, May 30, 2022

HLG Audit B.V.

drs. G. C. de Gooijer RA

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

Directors' Statement and Financial Statements
For the financial year ended 31 March 2022

A2 PRACTICE

PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS OF SINGAPORE

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

Directors' Statement and Financial Statements
For the financial year ended 31 March 2022

Contents

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 March 2022.

Statement by directors and the financial statements attached are deemed to be part of this report under Section 201 of the Companies Act 1967.

1. **OPINION OF THE DIRECTORS**

(a) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2022 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. **DIRECTORS**

The directors holding office at the date of this statement are:

MONGA LATIKA
PRADEEP KUMAR VERMA

3. **ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. **DIRECTORS' INTEREST IN SHARES OR DEBENTURES**

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967, the director holding office at the end of the financial year had no interest in the share capital of the Company and related companies either at the beginning or end of the financial year.

5. SHARE OPTIONS

During the financial year, no option was granted to take up unissued shares of the Company.

During the financial year, there were no shares of the Company issued by virtue of the exercise of options to take up unissued shares.

There were no unissued shares of the Company under option as at the end of the financial year.

6. INDEPENDENT AUDITORS

The Independent Auditors, A2 Practice, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

DocuSigned by:
E480AA6CE35E42D...
....
(MONGA LATIKA)
Director

DocuSigned by:
Pradeep Kumar Verma
7202985267B7445...
....
(PRADEEP KUMAR VERMA)
Director

Singapore,
19 April 2022

A2 PRACTICE
CHARTERED ACCOUNTANTS OF SINGAPORE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967, (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement, set out on pages 1 to 2.

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

A2 PRACTICE, CHARTERED ACCOUNTANTS OF SINGAPORE
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CHARTERED ACCOUNTANTS OF SINGAPORE

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED – continued

(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- 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 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.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

A2 Practice

A2 PRACTICE
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

A2 PRACTICE * CHARTERED ACCOUNTANTS OF SINGAPORE *

Singapore,
19 April 2022

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PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	NOTE	**2022 US$**	2021 US$
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	(4)	**-**	-
CURRENT ASSETS			
Trade receivables	(5)	**-**	113,803
Deposits and prepayments	(6)	**-**	2,144
Cash and cash equivalents	(7)	**1,013,621**	672,871
Total current assets		**1,013,621**	788,818
TOTAL ASSETS		**1,013,621**	788,818
EQUITY			
CAPITAL AND RESERVES			
Share capital	(8)	**1,116,398**	1,116,398
Accumulated losses		**(128,667)**	(366,091)
Total Equity		**987,731**	750,307
CURRENT LIABILITIES			
Other payables and accruals	(9)	**18,530**	19,299
Lease liabilities	(10)	**-**	-
Current income tax liabilities		**7,360**	19,212
Total current liabilities		**25,890**	38,511
Total liabilities		**25,890**	38,511
TOTAL EQUITY AND LIABILITIES		**1,013,621**	788,818

The accompanying notes form an integral part of these financial statements.

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	NOTE	**2022 US$**	2021 US$
Revenue	(11)	**364,086**	456,657
Other Income	(11)	**2,449**	23,384
Employee benefits expense	(11)	**(90,149)**	(104,214)
Depreciation and amortisation	(11)	**-**	(10,657)
Other expenses	(11)	**(50,814)**	(56,907)
Finance cost	(11)	**-**	(165)
Profit before income tax		**225,572**	308,098
Income tax credit/(expense)	(12)	**11,852**	(19,212)
Profit for the financial year		**237,424**	288,886
Other comprehensive income		**-**	-
Total comprehensive income for the financial year		**237,424**	288,886

The accompanying notes form an integral part of these financial statements.

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Ordinary Shares US$	**Preference Shares US$**	**Accumulated losses US$**	**Total US$**
2022				
Beginning of the financial year	**397,204**	**719,194**	**(366,091)**	**750,307**
Total comprehensive income for the financial year				
Profit for the financial year	**-**	**-**	**237,424**	**244,948**
Other comprehensive income	**-**	**-**	**-**	**-**
	-	**-**	**237,424**	**244,948**
Transactions with owners recorded directly in equity				
Issue of shares	**-**	**-**	**-**	**-**
End of financial year	**397,204**	**719,194**	**(128,667)**	**987,731**

	Ordinary Shares US$	Preference Shares US$	Accumulated losses US$	Total US$
2021				
Beginning of the financial year	397,204	719,194	(654,977)	461,421
Total comprehensive income for the financial year				
Profit for the financial year	-	-	288,886	288,886
Other comprehensive income	-	-	-	-
	-	-	288,886	288,886
Transactions with owners recorded directly in equity				
Issue of shares	-	-	-	-
End of financial year	397,204	719,194	(366,091)	750,307

The accompanying notes form an integral part of these financial statements.

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	NOTE	2022 US$	2021 US$
Cash flows from operating activities			
Profit before tax		**225,572**	308,098
Adjustments:			
Depreciation		**-**	10,657
Interest expense		**-**	165
Rent rebate for COVID-19		**-**	657
Operating cash flows before working capital changes		**225,572**	319,577
Changes in working capital:			
Trade receivables		**113,803**	126,033
Deposits and Prepayments		**2,144**	751
Accruals		**(769)**	(7,950)
Cash generated from operations		**340,750**	438,411
Income tax paid		**-**	-
Net cash generated from operating activities		**340,750**	438,411
Cash flows from financing activity			
Payment of principal portion of lease liabilities		**-**	(10,421)
Interest expense on lease liabilities		**-**	(165)
Net cash used in financing activity		**-**	(10,586)
Net increase in cash and cash equivalents		**340,750**	427,825
Cash and cash equivalents at beginning of financial year		**672,871**	245,046
Cash and cash equivalents at end of financial year	(7)	**1,013,621**	672,871

The accompanying notes form an integral part of these audited financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

1. DOMICILE AND ACTIVITIES

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED is a limited liability company, which is incorporated in Singapore. The address of its registered office and principal place of business is 10 Changi Business Park Central 2, #01-02, Hansapoint, Singapore 486030.

The Company is a wholly-owned subsidiary of Piramal Fund Management Private Limited, a company incorporated in India and the ultimate holding company is Piramal Enterprises Limited.

The principal activities of the Company are fund management and providing investment advisory services in the real estate sector. The Company ceased trading subsequent to the year ended 31 March 2022.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for described in the accounting policies below.

c) Functional and presentation currency

These financial statements are presented in United States Dollars (US$ or USD) which is the Company's functional currency.

d) Going concern

The financial statements are not prepared on a going concern basis, as the Company ceased trading subsequent to the year end and passed a resolution to apply for the striking off of the Company from the register maintained by the Accounting and Corporate Regulatory Authority.

2. **BASIS OF PREPARATION - continued**

e) **Use of estimates and judgment**

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgement made in applying the accounting policies

There were no critical judgements made in applying the Company's accounting policies.

Key estimation uncertainties

There was no information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

f) **Adoption of Revised Standards**

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in Note 3 - Significant Accounting Policies. The Company has adopted the following amendments and improvements which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2021.

- *Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions*
- *Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2*

The adoption of the above standards did not have any impact on the current or prior period and is not likely to affect future periods.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Company, except as explained in Note 2(f), which addresses changes in accounting policies.

a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

b) Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (Note 3c).

Plant and equipment are depreciated on the straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold buildings - 2 years

Fully depreciated assets are retained in the financial statements until they are no longer in use. The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date.

3. **SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

c) **Impairment of non-financial assets**

The carrying amounts of non-financial assets including are reviewed at each reporting date to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of the cash-generating-unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating-unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating-unit) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease in equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating-unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating-unit) in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase in equity.

d) **Financial assets and financial liabilities**

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets at amortised cost are trade receivables, deposits and cash at banks.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has no debt investments at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

d) **Financial assets and financial liabilities - continued**

(ii) Classification and subsequent measurement - continued

Financial assets at amortised cost

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has no debt investments at FVOCI.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Company has no equity investment at FVOCI.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company has no financial assets at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest - continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

d) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Non-derivative financial assets: Subsequent measurement and gains and losses – continued

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharge or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

d) **Financial assets and financial liabilities - continued**

(iii) Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharge or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid recognised in profit or loss.

e) **Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECL) for all financial assets measured at amortised cost and at FVOCI.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

f) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Redeemable preference shares

Redeemable preference shares are classified as equity if they are redeemable at the option of the Company and the dividend payments are discretionary. Dividends thereon are recognised as distributions to owners and presented in the statement of changes in equity.

g) Revenue

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the performance obligation (PO). If a PO is satisfied over time, revenue is recognised based on the most appropriate method that reflects the progress towards complete satisfaction of that PO.

As per the investment advisory and services agreement entered into by the Company, it is due a percentage of the funds invested by its clients on a quarterly basis. The Company uses time elapsed as the unit of measurement of the value of services transferred to its customers. Revenue is therefore accrued evenly in each month of the quarter.

h) Provisions

Provisions are recognised when the Company has 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 obligations and a reliable estimate can be made for those obligations.

i) Taxes

i) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

i) Taxes – continued

ii) Deferred tax

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

j) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

k) Employee benefits

Defined contribution plan

As required by law, the company makes contribution to the state pension scheme, central provident fund (“CPF”). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

3. **SIGNIFICANT ACCOUNTING POLICIES - continued**

k) **Employee benefits - continued**

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

l) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

i) Right-of-use assets

Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3c.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. **SIGNIFICANT ACCOUNTING POLICIES – continued**

l) Leases – continued

As lessee – continued

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

m) **New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 31 March 2022 and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2018-2020	1 April 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 April 2023
Amendments to FRS 1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 April 2023
Amendments to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 April 2023
Amendments to FRS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 April 2023
FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. PROPERTY, PLANT AND EQUIPMENT

2022	**Right-of-use asset – Building US$**	**Total US$**
Cost:		
At beginning of financial year	**-**	**-**
Additions	**-**	**-**
Adjustment for write-off	**-**	**-**
End of financial year	**-**	**-**
Accumulated Depreciation:		
At beginning of financial year	**-**	**-**
Charge for the year	**-**	**-**
Adjustment for write-off	**-**	**-**
End of financial year	**-**	**-**
Carrying Value:		
End of financial year	**-**	**-**

2021	Right-of-use asset – Building US$	Total US$
Cost:		
At beginning of financial year	20,300	20,300
Additions	-	-
Adjustment for write-off	(20,300)	(20,300)
End of financial year	-	-
Accumulated Depreciation:		
At beginning of financial year	(9,643)	(9,643)
Charge for the year	(10,087)	(10,087)
Adjustment for write-off	20,300	20,300
End of financial year	-	-
Carrying Value:		
End of financial year	-	-

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. TRADE RECEIVABLES

	2022 US$	2021 US$
Advisory fee	-	113,803
Less:		
Allowance for expected credit losses	-	-
	-	113,803

The loss allowances as at 31 March 2022 have not been recognised in the financial statements as the amounts are insignificant based on the historical loss rate.

	Gross	Expected loss rate	Impairment losses	Gross	Expected loss rate	Impairment losses
	2022 USD	2022 %	2022 USD	2021 USD	2021 %	2021 USD
Trade Receivables						
Not past due	-	-	-	113,803	-	-
Past due						
< 3 months	-	-	-	-	-	-
> 3 months	-	-	-	-	-	-
	-	-	-	113,803	-	-

6. DEPOSITS AND PREPAYMENTS

	2022 US$	2021 US$
Deposits	-	1,752
Prepayments	-	392
	-	2,144

7. CASH AND CASH EQUIVALENTS

	2022 US$	2021 US$
Cash at bank	**1,013,621**	672,871
Total cash and cash equivalents	**1,013,621**	672,871

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. SHARE CAPITAL

	Number of Shares				Paid up capital			
	Ordinary		Preference		Ordinary		Preference	
	2022	2021	**2022**	2021	**2022 US$**	2021 US$	**2022 US$**	2021 US$
Beginning of financial year	**500,000**	500,000	**974,333**	974,333	**397,204**	397,204	**719,194**	719,194
Issued during the year	**-**	-	**-**	-	**-**	-	**-**	-
End of financial year	**500,000**	500,000	**974,333**	974,333	**397,204**	397,204	**719,194**	719,194

The ordinary shares have no par value. The holder of ordinary shares is entitled to receive dividends as declared from time to time and entitled to one vote per share at meeting of the Company. The redeemable preference shares carry no voting rights.

All shares rank equally with regards to Company's residual assets.

9. OTHER PAYABLES AND ACCRUALS

	2022 US$	2021 US$
Accruals	**18,530**	19,299
	18,530	19,299

10. LEASES

The Company has lease contracts for buildings. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Carrying amount of right-of-use assets classified within property, plant and equipment

The carrying amounts of the right-of-use assets are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

10. **LEASES - CONTINUED**

(b) Lease liabilities

2022	**1 April 2021 US$**	**Cash flows US$**	← Non-cash changes → **Accretion of interests US$**	**Additions US$**	**Other US$**	**31 March 2022 US$**
Lease liabilities	-	-	-	-	-	-
Current	-	-	-	-	-	-
Non-current	-	-	-	-	-	-
	-	-	-	-	-	-

2021	1 April 2020 US$	Cash flows US$	← Non-cash changes → Accretion of interests US$	Additions US$	Other US$	31 March 2021 US$
Lease liabilities						
Current	9,764	(10,586)	165	-	657	-
Non-current	-	-	-	-	-	-
	9,764	(10,586)	165	-	657	-

(c) Amounts recognised in profit or loss

	2022 US$	2021 US$
Depreciation of right-of-use assets	-	10,657
Interest expense on lease liabilities	-	165
Total amount recognised in profit or loss	-	10,822

11. **REVENUE OTHER INCOME AND EXPENSES**

	2022 US$	2021 US$
Revenue:		
Advisory fee recognised over time	**364,086**	456,657

11. REVENUE, OTHER INCOME AND EXPENSES – CONTINUED

	2022 US$	2021 US$
Other income:		
Government grant – Jobs support scheme*	**2,449**	22,922
Rent concession relating to COVID-19	**-**	462
	2,449	23,384

	2022 US$	2021 US$
Employee benefits expense		
Directors' remuneration	**81,142**	95,089
Directors' CPF	**9,007**	9,125
	90,149	104,214
Depreciation and amortisation		
Depreciation of right-of-use assets	**-**	10,657
Finance cost		
Interest expense on lease liabilities	**-**	165
Other expenses include:		
Accounting fee	**11,172**	15,487
Insurance	**20,866**	17,934
Professional fee	**5,141**	8,230

* The Jobs Support Scheme (JSS) is a temporary scheme introduced in the Singapore Budget 2021 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

12. INCOME TAX

Income tax expense

	2022 US$	2021 US$
Current tax expense	**7,360**	19,212
Over provision in prior year	**(19,212)**	-
	(11,852)	19,212

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

12. INCOME TAX - CONTINUED

Reconciliation of tax expense and the product of accounting loss multiplied by the applicable tax rates:

	2022 US$	2021 US$
Accounting profit	**225,572**	308,098
Tax expense thereon at 17%	**38,347**	52,377
Effect of non-taxable income	**416**	(3,897)
Effect of disallowable expenses	**-**	209
Effect of exempt income	**(7,991)**	(12,757)
Effect of unutilised losses	**(23,412)**	(16,720)
Over provision in prior year	**(19,212)**	-
Current tax expense	**(11,852)**	19,212

13. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

Key management personnel compensation	2022 US$	2021 US$
Directors' remuneration	**81,142**	95,089
CPF contribution	**9,007**	9,125
	90,149	104,214

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting classifications and fair values

Fair values versus carrying amounts

2022	Note	Financial Assets at amortised cost US$	Other financial liabilities US$	Total carrying amount US$	Fair value US$
Cash and cash equivalents	**(7)**	**1,013,621**	**-**	**1,013,621**	**1,013,621**
		1,013,621	**-**	**1,013,621**	**1,013,621**
Other payables and accruals	**(9)**	**-**	**18,530**	**18,530**	**18,530**
		-	**18,530**	**18,530**	**18,530**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - CONTINUED

Accounting classifications and fair values - continued

Fair values versus carrying amounts - continued

	Note	Financial Assets at amortised cost US$	Other financial liabilities US$	Total carrying amount US$	Fair value US$
2021					
Trade receivables	(5)	113,803	-	113,803	113,803
Deposits	(6)	1,752	-	1,752	1,752
Cash and cash equivalents	(7)	672,871	-	672,871	672,871
		788,426	-	788,426	788,426
Other payables and accruals	(9)	-	19,299	19,299	19,299
		-	19,299	19,299	19,299

Financial Risk Management Objectives and Policies

Exposure to credit, liquidity and currency risks arise in the normal course of the Company's business. The Company's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. For other financial assets, including cash, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Cash at bank is placed with licensed bank in Singapore.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - CONTINUED

Credit Risk - continued

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201213024G)

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. **FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - CONTINUED**

Credit Risk - continued

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12 Month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

2022	**Note**	**Category**	**12-month or lifetime ECL**	**Gross carrying amount USD**	**Loss allowance USD**	**Net carrying amount USD**
Trade receivables		**Note A**	**Lifetime ECL (simplified)**	**-**	**-**	**-**
Deposits		**I**	**12-month ECL**	**-**	**-**	**-**
					-	

2021	Note	Category	12-month or lifetime ECL	Gross carrying amount USD	Loss allowance USD	Net carrying amount USD
Trade receivables		Note A	Lifetime ECL (simplified)	113,803	-	113,803
Deposits		I	12-month ECL	1,752	-	1,752
					-	

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - CONTINUED

Credit Risk - continued

Trade receivables (Note A)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix. The provision matrix of past due trade receivables is disclosed in Note 5.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The carrying amount of trade receivables at the year ended 31 March 2022, US$ Nil (2021: US$ 113,803) is due entirely from the fund that the Company manages. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Deposits

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity Risk

Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents and bank credit facilities deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. **FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - CONTINUED**

Liquidity Risk - continued

The maturity profile of the financial liabilities of the Company is shown below. The amounts disclosed below are the contractual undiscounted cash flows.

	Carrying amount US$	**Contractual cash flows US$**	**On demand US$**	**Due Within 1 year US$**	**After 1 year US$**	**Total US$**
2022						
Non-derivative Financial liabilities						
Other payable and accruals	**18,530**	**18,530**	**-**	**18,530**	**-**	**18,530**

	Carrying amount US$	Contractual cash flows US$	On demand US$	Due Within 1 year US$	After 1 year US$	Total US$
2021						
Non-derivative Financial liabilities						
Other payable and accruals	19,299	19,299	-	19,299	-	19,299

Foreign Currency Exchange Risk

The Company's exposure to foreign currencies as at reporting date is as follows

	SGD (Converted to USD) US$	**TOTAL US$**
2022		
Financial Assets		
Cash and cash equivalents	**8,607**	**8,607**
Financial Liabilities		
Other payables and accruals	**(18,530)**	**(18,530)**
Net exposure	**(9,923)**	**(9,923)**
2021		
Financial Assets		
Cash and cash equivalents	1,136	1,136
Financial Liabilities		
Other payables and accruals	(19,299)	(19,299)
Net exposure	(18,163)	(18,163)

PIRAMAL ASSET MANAGEMENT PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
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DETAILED PROFIT OR LOSS STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022 US$	2021 US$
Revenue	**364,086**	456,657
Other income:		
Government grant	**2,449**	22,922
Rent concession relating to COVID-19	**-**	462
	2,449	23,384
Employee benefits expense		
Directors' remuneration	**81,142**	95,089
Directors' CPF	**9,007**	9,125
	90,149	104,214
Depreciation and amortisation		
Depreciation of right-of-use assets	**-**	10,657
Finance cost		
Interest expense on lease liabilities	**-**	165
Other expenses:		
Accounting fee	**11,172**	15,487
Audit fee	**5,375**	5,674
Annual maintenance fee	**388**	222
Bank charges	**470**	741
Disbursements	**1,397**	2,109
Exchange loss	**1,224**	727
General expenses	**-**	91
Insurance	**20,866**	17,934
Professional fees	**5,141**	8,230
Payroll services	**1,719**	1,761
Subscription	**605**	293
Skills development levy	**178**	183
GST expenses (non-recoverable)	**2,279**	3,455
	50,814	56,907
Profit before income tax	**225,572**	308,098

This statement does not form part of the audited financial statements.

Deloitte Haskins & Sells LLP

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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.

- 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.

- 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.

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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Haskins & Sells LLP

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

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 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.

Deloitte
Haskins & Sells LLP

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

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 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.

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.

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-1000018

Rupen K. Bhatt
Partner
(Membership No. 046930)
Date: May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur May 23, 2022

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

Deloitte Haskins & Sells LLP MUMBAI

Convergence Chemicals Private Limited

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

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

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

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
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-1000018

Rupen K. Bhatt
Partner
(Membership No. 046930)
Date: May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur, May 23, 2022

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

DELOITTE HASKINS & SELLS LLP MUMBAI

Convergence Chemicals Private Limited

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

DELOITTE HASKINS & SELLS LLP
MUMBAI

Director
Vivek Valsaraj
DIN No.6970246
Mumbai, May 23, 2022

CFO
Divya Taldar
Udaipur May 23, 2022

Director
Surinder Gulati
DIN No.7154673
Mumbai, May 23, 2022

Company Secretary
Akshita Jain
Mumbai, May 23, 2022

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.

DELOITTE HASKINS & SELLS LLP MUMBAI

Convergence Chemicals Private Limited

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.

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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.

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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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	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	-

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

CONVERGENCE CHEMICALS PRIVATE LIMITED
Notes to financial statements for the period ended March 31, 2022

14. SHARE CAPITAL

		As at March 31, 2022 Rs. in lakhs		As at March 31, 2021 Rs. in lakhs
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

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
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

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	-	-	-	-	-	-	-

		March 31, 2022		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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Convergence Chemicals Private Limited

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	
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

		2022		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

		2022		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

		2022		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

	2022	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

	2022	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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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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Notes to financial statements for the period ended March 31, 2022

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.

Convergence Chemicals Private Limited

Convergence Chemicals Private Limited
Notes to financial statements for the period ended March 31, 2022

35 Property, Plant & Equipment, Leasehold land and other current assets are mortgaged / hypothecated to the extent of Rs. 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.

Rs. in lakhs

36 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.

38 Earnings Per Share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars	**For the Year Ended**	
	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

39 Segment Reporting - The Company deals in one business segment only, i.e. manufacturing and sale of speciality fluorochemicals. Entire non current assets of the company are located in India. For geographical segment of revenue, refer note 25.

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Convergence Chemicals Private Limited *

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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Convergence Chemicals Private Limited

(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		March 31, 2021	
	FC in lakhs	Rs. in Lakhs	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		March 31, 2021	
	FC in lakhs	Rs. in Lakhs	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

43 Income taxes relating to operations

	Year ended March 31, 2022	Year ended March 31, 2021
		Rs.in lakhs
(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

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.

DELOITTE HASKINS & SELLS LLP MUMBAI

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 P. Ltd.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

PEL Finhold Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements **PEL Finhold Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 notes to the financial statements including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its losses (financial performance 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 specified under section 143 (10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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 Indian Accounting Standards (Ind AS) prescribed 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 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 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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:

a) 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.

b) 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 Companies Act, 2013, we are also

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

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

d) 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.

e) 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 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 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

D. BADLEECHA & CO. MUMBAI CHARTERED ACCOUNTANTS

b) In our opinion, proper books of account as requiredby 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, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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 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 section 197(16) of the Act, as amended, the company has not paid any remuneration to its directors during the year hence provisions of section 197 of the Act shall not be 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, wherever applicable.

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 wherever applicable.

iii. There are no amounts which are 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, 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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

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 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.

For D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

D. DADHEECH & CO.
313 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

UDIN: 22151363AJDYAH9807
Mumbai: May 06, 2022

ANNEXURE 'A'
TO THE 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 **PEL Finhold Private Limited** on the standalone Ind AS financial statements for the year ended 31st March 2022]

(i) The company does not hold any Property, Plant and Equipment, intangible assets and immovable properties accordingly, reporting on paragraph 3 (i) of the order is not applicable.

(ii) (a) The company does not have any inventory and hence reporting on paragraph 3 (ii) (a) of the order is not applicable.

(b) During any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions and hence reporting on paragraph 3 (ii) (b) of the order is not applicable.

(iii) During the year 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 Partnerships or any other parties and hence reporting on paragraph 3 (iii) of the order is not applicable.

(iv) In our opinion, based on our examination and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 applies and hence reporting on paragraph 3 (iv) of the order is not applicable.

(v) In our opinion, based on our examination and according to information and explanation given to us, the company has not accepted any deposits and hence reporting on paragraph 3 (v) of the order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including income-tax and any other statutory dues as applicable to the Company to the appropriate authorities.

(b) There are no dues of income tax which have not been deposited on account of any disputes.

(viii) There are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

(ix) (a) In our opinion and based on our examination and according to information and explanation given to us, the company does not have any loans or other borrowings from any lender and hence reporting on paragraph 3 (ix) (a) of the order is not applicable.

(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

D. DASHEED & CO. MUMBAI CHARTERED ACCOUNTANTS

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under paragraph 3 (ix) (c) of the Order is not applicable.

(d) No funds are raised by the company during the year and hence, reporting under paragraph 3 (ix) (d) of the Order is not applicable.

(e) The company has not taken any funds from any entity or person during the year and hence reporting on paragraph 3 (ix) (e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on paragraph 3 (ix) (f) of the Order is not applicable.

(x) a. According to the information and explanations given to us and based on our examination of the records of the company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments).

b. According to the information and explanations given to us and based on our examination of the records of the company, the company has made preferential allotment of equity shares during the year and in respect of which the Company complied with section 62 of the Act and amount raised have been applied for the purposes for which the funds are raised.
Apart from this, company has not made preferential allotment or private placement of convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 this report.

(c) The company has not received any whistle-blower complaints during the year and hence reporting on paragraph 3 (xi) (c) of the order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting on paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further provisions of section 177 of the Act are not applicable to the company.

(xiv) Internal audit is not applicable to the Company; hence paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

(xvi) According to the information and explanation given to us and based on our examination of the records of the company, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

(xvii) The company has incurred following cash profit/ losses in the financial year and immediately preceding financial year: -

(Amount in Lakhs.)

Particulars	Current F.Y.	P.Y.
Net Profit/(Loss)	(197.06)	(6565.39)
Non-Cash Items	-	-
Cash Losses	(197.06)	(6565.39)

(xviii) There has been no resignation of statutory auditors during the year.

(xix) 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 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 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 based on our examination of the records of the company and hence reporting on paragraph 3(xx) of the Order is not applicable.

(xxi) The company is not required to prepare consolidated financial statements and hence paragraph 3 (xxi) of the Order is not applicable to the Company.

For D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

UDIN: 22151363AJDYAH9807
Mumbai: May 06, 2022

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **PEL Finhold 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PEL Finhold Private Limited** ("the Company") as at March 31, 2022, in conjunction with our audit of the 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 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, 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.

Auditors' responsibility

Our responsibility is to express an opinion on the 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 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 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 in 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 control system over financial reporting.

Meaning of internal financial controls over financial reporting

MUMBAI

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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 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 D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

D. DADHEECH & CO.
313 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

UDIN: 22151363AJDYAH9807
Mumbai: May 06, 2022

PEL Finhold Private Limited
Balance Sheet as at March 31, 2022
(Currency: Rs in lakhs)

Particulars	Note No	31.03.2022	31.03.2021
ASSETS			
Non-current assets			
(a) Other non-current assets	3	87.96	87.96
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	4	53.86	159.93
(c) Other current assets	5	0.06	-
Total Assets		**141.88**	**247.89**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	6	2,353.00	3.00
(b) Other Equity	7	(2,211.59)	(2,014.53)
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	-	2,150.00
(ii) Trade Payables:-			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		0.12	0.12
Current liabilities			
(a) Other current liabilities	9	0.35	109.30
Total Equity and Liabilities		**141.88**	**247.89**
See accompanying notes to the Financial Statements			

For M/s. D. Dadheech & Co.
Firm Registration Number :101981W
Chartered Accountants

Chandrashekhar Chaubey
Partner
Membership No. 151363

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
PEL Finhold Private Limited

Ninad Navalkar
Director

Bipin Singh
Director

Ankit Arora
Chief Financial Officer

Yashvi Panchal
Company Secretary

Mumbai
Date : May 06, 2022

PEL Finhold Private Limited

PEL Finhold Private Limited
Statement of Profit and loss for the year ended March 31, 2022
(Currency: Rs in lakhs)

Particulars	Note No	31.03.2022	31.03.2021
I. Revenue from operations	10	-	1,113.23
II. Other Income		-	-
III. Total Income	(I + II)	-	**1,113.23**
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock in trade		-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade		-	-
Employee benefits expense		0.02	-
Finance costs	11	175.65	7,669.52
Depreciation and amortisation expense		-	-
Other expenses	12	21.39	0.42
Total Expenses		197.06	7,669.94
V. Profit before exceptional items and tax	(III - IV)	(197.06)	(6,556.71)
VI. Exceptional items		-	-
VII. Profit / (Loss) before tax	(V-VI)	(197.06)	(6,556.71)
VIII. Tax expense:			
(1) Current tax		-	8.68
(2) Deferred tax		-	-
IX. Profit / (Loss) from continuing operations	(VII-VIII)	(197.06)	(6,565.39)
X. Profit / (Loss) from discontinued operations		-	-
XI. Tax expense from discontinuing operations		-	-
XII. Profit / (Loss) from discontinuing operations after tax	(X-XI)	-	-
XIII. Profit / (Loss) for the period	(IX+XII)	(197.06)	(6,565.39)
XIV. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) income tax relating to items that will be reclassified to profit or loss		-	-
XV. Total Comprehensive Income for the period (XIII+XIV)	(XIII+XIV)	(197.06)	(6,565.39)
XVI. Earning per equity share (for discontinued operation):			
1. Basic EPS (In Rs.)		-	-
2. Diluted EPS (In Rs.)		-	-
XVI. Earning per equity share (for discontinued & continuing operation):	13		
1. Basic EPS (In Rs.)		(2.85)	(21,884.65)
2. Diluted EPS (In Rs.)		(2.85)	(21,884.65)
See accompanying notes to the Financial Statements			

For M/s. D. Dadheech & Co.
Firm Registration Number :101981W
Chartered Accountants

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Chandrashekhar Chaubey
Partner
Membership No. 151363

Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
PEL Finhold Private Limited

Ninad Navalkar
Director

Bipin Singh
Director

Ankit Arora
Chief Financial Officer

Yashvi Panchal
Company Secretary

Mumbai
Date : May 06, 2022

PEL Finhold Private Limited

PEL Finhold Private Limited
Statement of Changes in Equity for the year ended March 31, 2022
(Currency: Rs in lakhs)

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3.00	2,350.00	2,353.00

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3.00	-	3.00

B. Other Equity

(1) Current reporting period

	Reserves and Surplus		
Particulars	Capital Contribution	Retained Earnings	Total
Balance at the beginning of the current reporting period	4,552.39	(6,566.92)	(2,014.53)
Total Comprehensive Income for the current year		(197.06)	(197.06)
Balance at the end of the current reporting period	4,552.39	(6,763.98)	(2,211.59)

(2) Previous reporting period

	Reserves and Surplus		
Particulars	Capital Contribution	Retained Earnings	Total
Balance at the beginning of the current reporting period	4,552.39	(1.53)	4,550.86
Total Comprehensive Income for the current year		(6,565.39)	(6,565.39)
Balance at the end of the current reporting period	4,552.39	(6,566.92)	(2,014.53)

For M/s. D. Dadheech & Co.
Firm Registration Number :101981W
Chartered Accountants

Chandrashekhar Chaubey
Partner
Membership No. 151363

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
PEL Finhold Private Limited

Ninad Navalkar
Director

Bipin Singh
Director

Ankit Arora
Chief Financial Officer

Yashvi Panchal
Company Secretary

Mumbai
Date : May 06, 2022

PEL Finhold Private Limited

PEL Finhold Private Limited

Cash Flow Statement for the year ended March 31,2022

(Currency: Rs in lakhs)

	Particulars	31.3.2022	31.3.2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss before tax	(197.06)	(6,556.71)
	Interest income on loans given	-	(1,113.23)
	Interest expense on loans taken	175.65	7,669.52
	(Operating Loss) before Working Capital Changes	**(21.41)**	**(0.42)**
	Adjustments For Changes In Working Capital :		
	- Increase / (Decrease) in Other Current Liabilities	(108.95)	109.03
	- Increase / (Decrease) in Other Current Assets	(0.06)	-
	Cash Generated From Operations	(130.41)	108.61
	- Taxes Paid (Net of Refunds)	-	(87.96)
	Income tax paid	-	(8.68)
	Net Cash From / (Used in) Operating Activities (A)	**(130.41)**	**11.97**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest income on loans given	-	1,113.23
	Net Cash From /(Used in) Investing Activities (B)	-	**1,113.23**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Allotment of Equity Share Capital	2,350.00	-
	Inter-corporate deposit from PEL, Net	(2,150.00)	2,150.00
	Interest expense on loans taken	(175.65)	(3,117.13)
	Net Cash From / (Used in) Financing Activities (C)	**24.35**	**(967.13)**
	Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+ (C)	**(106.06)**	**158.07**
	Cash and Cash Equivalents as at 31.3.2021	159.93	1.87
	Cash and Cash Equivalents as at 31.3.2022	**53.86**	**159.93**
	Cash and Cash Equivalents Comprise of:		
	Balances with Banks	53.86	159.93

The above Statement of cash flows should be read in conjunction with the accompanying notes

As per our report of even date attached

For M/s. D. Dadheech & Co.
Firm Registration Number :101981W
Chartered Accountants

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Chandrashekhar Chaubey
Partner
Membership No. 151363

Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
PEL Finhold Private Limited

Ninad Navalkar
Director

Bipin Singh
Director

Ankit Arora
Chief Financial Officer

Yashvi Panchal
Company Secretary

Mumbai
Date : May 06, 2022

PEL Finhold Private Limited

PEL Finhold Private Limited
Notes to Financial Statements for the year ended March 31,2022
As on March 31, 2022

1. **BACKGROUND**

   The Company was incorporated on 21st August, 2014 to undertake the business involving all types of financial and investment services.

2. **SIGNIFICANT ACCOUNTING POLICIES**

i) **Compliance with Ind AS**

The separate 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.

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 separate financial statements have been prepared on the historical cost basis.

ii) **Basis of preparation and presentation**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

iii) **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.

iv) **Provisions, contingent liabilities and contingent assets**

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.

v) **Revenue recognition**

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.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

PEL Finhold Private Limited
Notes to Financial Statements (Continued)
As on March 31, 2022

vi) **Current tax**

Current tax expense is recognised on a annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

vii) **Cash and Cash Equivalents**
In the cash flow statement, cash and cash equivalents includes balance in bank account.

viii) **Provisions and Contingent Liabilities**

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.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

PEL Finhold Private Limited
Notes to Financial Statements for the year ended March 31, 2022
(Currency: Rs in lakhs)

	As at 31.3.2022 Amount in Rs.	As at 31.3.2022 Amount in Rs.
3. OTHER NON- CURRENT ASSETS		
Advance tax	87.96	87.96
TOTAL	87.96	**87.96**

	As at March 31, 2022 Amount in Rs.	As at March 31, 2021 Amount in Rs.
4. CASH AND CASH EQUIVALENTS		
Balance with Banks		
- Current Accounts	53.86	159.93
TOTAL	53.86	159.93

	As at March 31, 2022 Amount in Rs.	As at March 31, 2021 Amount in Rs.
5. OTHER CURRENT ASSETS		
Balances with statutory authorities	0.06	-
TOTAL	0.06	-

Particulars	As at March 31, 2022 Amount in Rs.	As at March 31, 2021 Amount in Rs.
6. SHARE CAPITAL		
AUTHORISED		
2,40,00,000 (previous year 20,00,000) Equity Shares of Rs.10/- each	2,400.00	200.00
ISSUED, SUBSCRIBED & PAID UP		
2,35,30,000 (previous year 30,000) Equity Shares of Rs.10/- each	2,353.00	3.00
TOTAL	2,353.00	3.00

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Balance at the beginning of the year	0.30	3.00	0.30	3.00
Add: Issued during the year	235.00	2,350.00	-	-
Balance at the end of the year	235.30	2,353.00	0.30	3.00

b) Rights, preferences and restrictions attached to 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. 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.

c) Shares held by holding company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Piramal Enterprises Limited	235.30	2,353.00	0.30	3.00

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

(Currency: Rs in lakhs)

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Piramal Enterprises Limited	235.30	2,353.00	0.30	3.00

e) Details of shareholding of Promoters in the Company

	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Piramal Enterprises Limited	235	100.00000%	0.033333%	0.30	99.97%	-
Rajesh Laddha #	0.00	0.00004%	-0.033291%	0.00	0.03%	-

Appointed Nominee held on behalf of Piramal Enterprises Limited

f) The Company had alloted 2,35,00,000 equity shares of Rs 10 each (issue price), fully paid to Piramal Enterprises Limited during the current financial year ended March 31, 2022.

	As at March 31, 2022 Amount in Rs.	As at March 31, 2021 Amount in Rs.
7. OTHER EQUITY		
Capital Contribution	4,552.39	4,552.39
Retained Earnings		
As per Last Balance Sheet	(6,566.92)	(1.53)
Profit/(Loss) for the year	(197.06)	(6,565.39)
	(6,763.98)	(6,566.92)
TOTAL	(2,211.59)	(2,014.53)

	As at March 31, 2022 Amount in Rs.	As at March 31, 2021 Amount in Rs.
8. BORROWINGS		
Unsecured		
Loan from Related Parties	-	2,150.00
	-	2,150.00

	As at March 31, 2022 Amount in Rs.	As at March 31, 2021 Amount in Rs.
9. OTHER CURRENT LIABILITIES		
Accrued expenses	0.33	0.25
Statutory dues	0.02	109.05
TOTAL	0.35	109.30

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

PEL Finhold Private Limited
Notes to Financial Statements for the year ended March 31, 2022
(Currency: Rs in lakhs)

	March 31, 2022 Amount in Rs.	March 31, 2021 Amount in Rs.
10. REVENUE FROM OPERATIONS		
Interest Received	-	1,113.23
	-	**1,113.23**
11. FINANCE COST		
Interest Paid	175.65	7,669.52
	175.65	**7,669.52**

Note: The EIR impact on the borrowings was not considered as the impact was not material.

12. OTHER EXPENSES		
Professional fees	0.26	0.28
Auditors' remuneration (refer note below)	0.10	0.10
Bank charges	-	0.00
Rates & Taxes	21.03	0.04
	21.39	**0.42**

Note : Breakup of Auditors' remuneration

Particulars	March 31, 2022	March 31, 2021
Auditors' remuneration in respect of:		
Statutory Auditors:		
- Statutory Audit (excluding taxes)	0.10	0.10

13. 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:

The computation of earnings per share is set out below:

Particulars	As At March 31, 2022	As At March 31, 2021
Loss attributable to shareholders	(197.06)	(6,565.39)
Number of Shares	235.30	0.30
Weighted average number of Shares	69.19	0.30
Earning Per Share (basic and diluted)	(2.85)	(21,884.65)
Face value per share (Rs.)	10.00	10.00

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

PEL Finhold Private Limited
Notes to Financial Statements for the year ended March 31, 2022
(Currency: Rs in lakhs)

14. Income Taxes relating to operations

a) Income Tax recognised in profit or loss

	March 31, 2022	March 31, 2021
Current tax		
In respect of the current year	-	8.68
	-	8.68
Deferred tax		
In respect of the current year	-	-
Total income tax expense recognised in the current year	-	-

b) Income tax recognised in other comprehensive income

	March 31, 2022	March 31, 2021
Current tax	-	-
Deferred tax	-	-
Total income tax recognised in other comprehensive income	-	-

The Income Tax expense for the year can be reconciled to the accounting profit as follows

	Year Ended March 31, 2022	Year Ended March 31, 2021
Loss before tax	(197.06)	(6,556.71)
Income Tax expense calculated @25.17%	-	-
Income tax expense recognised in profit or loss	-	8.68

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

(Currency: Rs in lakhs)

15 Related party disclosure

Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

A. Controlling Company

- Piramal Enterprises Limited (PEL)

Details of transactions	FY 2021-22	FY 2020-21
	Controlling Company	**Controlling Company**
Finance received - Loans Received (Repaid), net		
- Piramal Enterprises Limited	(2,150.00)	2,150.00
	(2,150.00)	**2,150.00**
Interest expenses		
- Piramal Enterprises Limited	175.65	7,669.52
	175.65	**7,669.52**
Allotment of equity shares		
- Piramal Enterprises Limited	2,350.00	-
	2,350.00	-
Employee benefits expenses		
- Piramal Enterprises Limited	0.02	-
	0.02	-
Payable		
- Piramal Enterprises Limited	2,631.00	2,150.00
	2,631.00	**2,150.00**

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

(Currency: Rs in lakhs)

16 (a) Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

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	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.00
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.17
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	0.00	0.00
Further interest remaining due and payable for earlier years	0.00	0.00

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

As at March 31, 2022	(Amount in Rs.)				
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	-	0.03	0.09	-	0.12
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

As at March 31, 2021	(Amount in Rs.)				
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	-	-
(ii)Others	0.03	0.09	-	-	0.12
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

PEL Finhold Private Limited

PEL Finhold Private Limited
Notes to Financial Statements for the year ended March 31, 2022
(Currency: Rs in lakhs)

17. 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. The Company determines the amount of capital required on the basis of annual as well as operating plans and other strategic investment plans. The funding requirements are met through equity or other long-term /short-term borrowings from Piramal Enterprises Limited, the Holding Company.

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18. Risk Management

The Company's activities expose it to 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 funding requirements are met through equity or other long-term /short-term borrowings from Piramal Enterprises Limited, the Holding Company.

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19. Contingent Liabilities

There are no contingent liabilities for the year ended F.Y. 2021-22

PEL Finhold Private Limited
Notes to Financial Statements for the year ended March 31, 2022
(Currency: Rs in lakhs)

20. Ratio disclosure

Ratio	For the year ended March 31, 2022	For the year ended March 31, 2021	variance (%)	Reason for variance
Current ratio	154.23	1.46	10440%	Repayment of outstanding liability during the current year
Debt-equity ratio	0.00	716.67	-100%	Repayment of debt in the current year
Debt service coverage ratio	-0.12	0.15	-184%	Repayment of debt in the current year
Return on equity ratio	-0.08	-2188.46	-100%	Infusion of equity share capital during the current year
Inventory turnover ratio	N.A	N.A	N.A	
Trade receivables turnover ratio (in days)	N.A	N.A	N.A	
Trade payables turnover ratio (in days)	N.A	N.A	N.A	
Net capital turnover ratio	0.00	21.98	-100%	No revenue during the current year
Net profit ratio (%)	0.00	-5.90	-100%	No revenue during the current year
Return on capital employed	-1.39	3.26	-143%	Infusion of equity share capital during the current year
Return on investment	N.A	N.A	N.A	

21. The financial statements were approved by board of directors on May 06, 2022

Signature to note 1 to 21 of Financial Statements.

As per our report of even date attached

For M/s. D. Dadheech & Co.
Firm Registration Number :101981W
Chartered Accountants

Chandrashekhar Chaubey
Partner
Membership No. 151363

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Mumbai
Date : May 06, 2022

For and on behalf of the Board of Directors
PEL Finhold Private Limited

Bipin Singh
Director

Nihad Navalkar
Director

Ankit Arora
Chief Financial Officer

Yashvi Panchal
Company Secretary

PEL Finhold Private Limited

Mumbai
Date : May 06, 2022

Piramal Pharma Solutions Inc.

Financial Statements

December 31, 2021, and December 31, 2020

KNAV P.A.

Certified Public Accountants

One Lakeside Commons, Suite 850

990 Hammond Drive NE,

Atlanta, GA 30328

Table of Contents

Independent auditor's report

To the Board of Directors
Piramal Pharma Solutions Inc.

Opinion

We have audited the financial statements of Piramal Pharma Solutions Inc. (the "Company"), which comprise the balance sheets as of December 31, 2021, and December 31, 2020, the related statements of loss, stockholder's deficit and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of December 31, 2021, and December 31, 2020, and the results of its operations and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 03, 2022

KNAV P.A.
Certified Public Accountants
One Lakeside Commons Ste 850 990 Hammond Drive NE Atlanta GA 30328 T 1 678 584 1200 F 1 770 676 6082 E admin@knavcpa.com
2022-120-US

Financial statements

Balance sheets

(All amounts are stated in United States Dollars, unless otherwise stated)	Notes	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	C	616,030	3,084,816
Restricted cash	D	25,701	25,650
Accounts receivable, net	E	6,450,917	2,750,034
Due from related parties	Q	3,207,343	3,328,223
Inventories	F	4,674,502	3,034,419
Unbilled revenue		1,232,285	708,191
Other current assets	G	373,374	441,222
Total current assets		**16,580,152**	**13,372,555**
Property, plant and equipment, net	H	30,401,013	30,483,469
Goodwill		6,364,870	6,364,870
Intangible assets, net	I	272,923	1,578,978
Total assets		**53,618,958**	**51,799,872**
LIABILITIES AND STOCKHOLDER'S DEFICIT			
Current liabilities			
Accounts payable	J	2,871,763	1,171,994
Due to related parties	Q	1,509,886	1,437,030
Short term borrowings	K	24,400,000	19,450,000
Other current liabilities	L	21,950,713	17,055,905
Total current liabilities		**50,732,362**	**39,114,929**
Long term borrowings	K	60,869,214	60,869,214
Deferred tax liability, net	N	159,681	142,921
Deferred revenue, net of current portion		521,570	-
Total liabilities		**112,282,827**	**100,127,064**
Stockholder's deficit			
Common stock (1000 shares at no par value, authorized, issued and outstanding)		-	-
Additional paid in capital		14,334,115	14,334,115
Accumulated deficit		(72,997,984)	(62,661,307)
Total stockholder's deficit		**(58,663,869)**	**(48,327,192)**
Total liabilities and stockholder's deficit		**53,618,958**	**51,799,872**

(The accompanying notes are an integral part of these financial statements)

Statements of loss

(All amounts are stated in United States Dollars, unless otherwise stated)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Operating revenues	M	24,720,306	17,958,909
Less: cost of revenues (excluding depreciation and amortization)		(24,382,576)	(22,634,312)
Gross profit/(loss)		**337,730**	**(4,675,403)**
Cost and expenses			
Selling, general and administrative expenses		4,757,730	3,330,611
Depreciation and amortization		3,048,493	3,507,120
Impairment expense		-	6,072,630
Total cost and expenses		**7,806,223**	**12,910,361**
Operating loss		**(7,468,493)**	**(17,585,764)**
Other (income) expense		(51)	14,003
Interest expense		2,849,394	2,975,006
Loss before income taxes		**(10,317,836)**	**(20,574,773)**
Current tax expense		2,081	2,081
Deferred tax expense (benefit)		16,760	(86,295)
Net loss		**(10,336,677)**	**(20,490,559)**

(The accompanying notes are an integral part of these financial statements)

Statements of stockholder's deficit

For the years January 01, 2021, to December 31, 2021, and January 01, 2020, to December 31, 2020

(All amounts are stated in United States Dollars, except number of shares)

Particulars	Common stock — Authorized, issued and outstanding: Shares	Common stock — Authorized, issued and outstanding: Value US$	Additional paid in capital	Accumulated deficit	Total stockholder's deficit
Balance as at January 01, 2020	**1,000**	**-**	**14,334,115**	**(42,170,748)**	**(27,836,633)**
Net loss for the year	-	-	-	(20,490,559)	(20,490,559)
Balance as at December 31, 2020	**1,000**	**-**	**14,334,115**	**(62,661,307)**	**(48,327,192)**
Balance as at January 01, 2021	1,000	-	**14,334,115**	**(62,661,307)**	**(48,327,192)**
Net loss for the year	-	-	-	(10,336,677)	(10,336,677)
Balance as at December 31, 2021	**1,000**	**-**	**14,334,115**	**(72,997,984)**	**(58,663,869)**

(The accompanying notes are an integral part of these financial statements)

Statements of cash flows

(All amounts are stated in United States Dollars, unless otherwise stated)	**Year ended December 31, 2021**	**Year ended December 31, 2020**
Cash flows from operating activities		
Net loss	**(10,336,677)**	**(20,490,559)**
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	3,048,493	3,507,120
Impairment of intangibles	-	6,072,630
Provision of allowance for doubtful debts	198,806	(13,116)
Deferred tax expense (benefit)	16,760	(86,295)
Loss on sale of asset	-	14,003
Changes in net operating assets and liabilities		
Accounts receivable	(3,778,809)	762,551
Inventories	(1,640,083)	857,621
Unbilled revenue	(524,094)	(708,192)
Other current assets	67,848	323,610
Accounts payable	1,772,625	(1,027,313)
Other current liabilities	4,894,808	3,942,445
Deferred revenue excluding current portion	521,570	-
Net cash used in operating activities	**(5,758,753)**	**(6,845,495)**
Cash flows from investing activities		
Purchase of property, plant, and equipment	(1,460,132)	(1,038,905)
Purchase of software	(199,850)	(36,835)
Net cash used in investing activities	**(1,659,982)**	**(1,075,740)**
Cash flows from financing activities		
Proceeds from loan from related party	3,000,000	13,975,000
Proceeds from short term borrowings from bank	4,250,000	-
Repayment of loan to related party	(2,300,000)	(4,300,000)
Net cash provided by financing activities	**4,950,000**	**9,675,000**
Net (decrease) increase in cash, cash equivalents and restricted cash	**(2,468,735)**	**1,753,765**
Cash, cash equivalents and restricted cash at the beginning of the year	3,110,466	1,356,701
Cash, cash equivalents and restricted cash at the end of the year	**641,731**	**3,110,466**

Supplementary cash flow information

Cash, cash equivalents and restricted cash at the end of the year	**December 31, 2021**	**December 31, 2020**
Cash and cash equivalents	616,030	3,084,816
Restricted cash	25,701	25,650
Interest paid	710,629	49,585

(The accompanying notes are an integral part of these financial statements)

Notes to financial statements

(All amounts are stated in United States Dollars, unless otherwise stated)

NOTE A - NATURE OF OPERATIONS

Piramal Pharma Solutions Inc. ("PPSI" or "the Company") is a provider of contract pharmaceutical research and development and manufacturing services. The Company does not manufacture its own pharmaceutical products, nor does it provide pharmaceutical products for resale. The Company is a fully integrated analytical, formulation development and pharmaceutical clinical supply manufacturing facility registered with the United States Food and Drug Administration. The Company is wholly owned subsidiary of PEL Pharma Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles in the United States ('US GAAP'). The significant accounting policies are detailed below:

Basis of preparation

a. The accompanying financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with accounting and reporting requirements of US GAAP to reflect the financial position, results of operations and cash flows.

b. The financial statements are presented for the calendar years 2021 and 2020. All amounts are stated in United States Dollars ('USD'), unless specified otherwise.

c. Certain reclassifications, regroupings and reworking have been made in the financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholder's deficit.

Going concern issue

As on December 31, 2021, the Company has an accumulated deficit of $72,997,984 and stockholder's deficit of $58,663,869. The Company generated negative operating cash flows of $5,758,753 during 2021. All these conditions raise substantial doubt about the Company's ability to continue as a going concern. However, the Company has future business development plans in place to support growth in terms of sales and profitability. The management has prepared future projections supported by business plans and business developmental activities to be undertaken. In view of the continued support from Piramal Enterprises Limited (ultimate parent company), the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for determination of useful lives for property, plant and equipment and intangible assets, and other long-lived assets for impairment, revenue recognition, provision for doubtful debts and inventory valuation at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

Cash and cash equivalents

Cash equivalents consist of highly liquid investments with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of $ 250,000.

Restricted cash deposits do not form part of cash and cash equivalents. For the purpose of presentation on the cash flow statements, restricted cash is included with cash and cash equivalents when reconciling the beginning-of-year and end-of-year amounts presented on the statements of cash flows. Restricted cash consists of amounts held in restricted accounts as collateral for letter of credit arrangement to Kentucky Utilities. The aggregate capacity of this secured letter of credit facilities is $25,000.

Revenue recognition

The Company derives revenue from contract manufacturing services provided under customer contracts, which are disaggregated into the following revenue streams:

i. Service revenue

The service revenue stream represents revenue from non-manufacturing related services associated with the custom development of a customer's product. These projects are customized to each customer to meet their specifications and typically involve contract milestones which are generally fixed price contracts. Each process or contract milestone represents a distinct service that is sold separately and has stand-alone value to the customer. Revenue is recognized when performance obligation is satisfied at a point of time and control is transferred to the customer, upon completion of contract milestone.

Revenue from time and material-based contract milestones are recognized over time based on number of hours spent on the related services performed applying the contracted rates.

ii. Manufacturing revenue

Under a manufacturing contract for customer product in development stage, the customer owns the product details and process, which has no alternative use. These projects are customized to each customer to meet their specifications and typically involve contract milestones. Each contract milestone represents a distinct service that is sold separately and has stand-alone value to the customer. Revenue is recognized when performance obligation is satisfied at a point of time, upon completion of contract milestone.

Contract balances

The timing of revenue recognition, billings and cash collections results in billed trade receivables, contract assets (unbilled receivables), and contract liabilities (customer deposits and deferred revenue). Contract assets are recorded when the right to consideration is conditioned on something other than the passage of time. Contract assets are reclassified to trade receivables on the balance sheet when the rights become unconditional. Contract liabilities represent customer deposits and deferred revenue billed and/or received in advance of the fulfilment of performance obligations. Contract liabilities convert to contract manufacturing revenue on performance of obligations under the contract.

Practical expedients and contract costs
The Company applies the practical expedient available under ASC 606 that permits not to disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. In addition, there are no unsatisfied performance obligations for contracts greater than one year. Costs incurred to obtain or fulfill a contract are not material.

Accounts receivable and allowance for doubtful debts
Accounts receivable are stated at the amount billed to customers. The Company provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions.

The Company follows the specific identification method for recognizing allowance for doubtful debts. Management analyzes composition of the accounts receivable aging, historical bad debts, current economic trends, and customer credit worthiness of each accounts receivable when evaluating the adequacy of the allowance for doubtful accounts.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the moving average method. Net realizable value is the estimated selling price less applicable selling expenses. If the carrying value exceeds net realizable amount, a write-down is recognized.

Property, plant and equipment and depreciation

Property, plant and equipment acquisitions are stated at cost less accumulated depreciation. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method, including capital lease assets which are depreciated over the terms of their respective leases. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations.

The estimated useful life used to determine depreciation is:

Building	5 – 39 years
Leasehold improvements	5 – 10 years or lease period
Machinery and equipment	3 – 10 years
Furniture and fixtures	3- 5 years
Computers and related equipment	3- 5 years
Vehicles	3 years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant, and equipment not ready for use before such date are disclosed under construction-in-progress.

Business combinations, goodwill, and other intangibles

In accordance with ASC 805, "Business Combinations", the Company uses the purchase method of accounting for all business combinations. Intangible assets acquired in a business combination are recognized and reported apart from goodwill if they meet the criteria specified in ASC 805. Any purchase price allocated to an assembled workforce is not accounted separately.

Effective January 1, 2017, the Company prospectively adopted the provisions of FASB issued ASU 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). ASU 2017-04 eliminates the second step of the goodwill impairment test. For goodwill impairment tests occurring after January 1, 2017, if the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required. The estimated useful lives of the amortizable intangible assets are as follows:

Customer relationships	7 years
Software	3 – 5 years

The Company has considered the "push down effect" of fair value adjustments and presented the goodwill and intangible assets identified at acquisition.

Impairment of long-lived assets

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

Operating leases

Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

Income taxes

In accordance with the provisions of FASB ASC Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized.

The Company is a member of a group that files a consolidated federal tax return. Accordingly, income taxes payable to the tax authority is recognized on the financial statements of the parent company which is the taxpayer for income tax purposes. The Company approximates the amounts that would be reported if it was separately filing its tax return.

The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, short-term, and long-term borrowings. The estimated fair value of cash and cash equivalents, accounts receivable, accounts payable, short-term, and long-term borrowings approximate their carrying amounts of these instruments. None of these instruments are held for trading purposes.

Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Recently issued accounting standards not yet adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842).* ASU 2016-02 requires a lessee to recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-to-use asset representing its right to use the underlying asset for the lease term. This ASU is effective for private companies' fiscal years beginning after December 15, 2021, with early adoption permitted. The Company expects to adopt ASU 2016-02 beginning January 01, 2022 and is currently evaluating the impact on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The new guidance applies to all financial instruments carried at amortized cost (including loans held for investment (HFI) and held-to-maturity (HTM) debt securities, as well as trade receivables and receivables that relate to repurchase agreements and securities lending agreements), a lessor's net investments in leases, and off-balance-sheet credit exposures not accounted for as insurance or as derivatives, including loan commitments, standby letters of credit, and financial guarantees. The guidance is effective for annual periods beginning after December 15, 2022. Early adoption is permitted. The Company is currently assessing the impact of the adoption of this guidance on its financial statements and disclosures.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Balance in bank accounts	616,030	3,084,816
Total	**616,030**	**3,084,816**

Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000 per financial institution per depositor at each financial institution, and the Company's non-interest-bearing cash balances may exceed federal insured limits.

NOTE D - RESTRICTED CASH

The Company has maintained a certificate of deposit amounting to $ 25,701 during the year ended December 31, 2021 (December 31, 2020: $ 25,650) per a utility contract entered into by the Company. The deposit is of a current nature. The Company earned interest of $ 51 on the said deposit during the year ended December 31, 2021 (December 31, 2020: $166) which is presented as 'other income' on the statements of loss.

NOTE E - ACCOUNTS RECEIVABLE, NET

Accounts receivable as at December 31, 2021 and December 31, 2020 are stated net of allowance for doubtful accounts:

	As at	
	December 31, 2021	**December 31, 2020**
Accounts receivable	**7,465,690**	**3,566,001**
Less: Provision for doubtful debts	(1,014,773)	(815,967)
Accounts receivable, net of allowances	**6,450,917**	**2,750,034**

The movement in provision for doubtful debts during the year was as follows:

	Year ended	
	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	**815,967**	**829,083**
Add: Provision during the year	198,806	-
Less: Provision reversed during the year	-	(13,116)
Balance at the end of the year	**1,014,773**	**815,967**

NOTE F - INVENTORIES

Major classes of inventory include the following:

	As at	
	December 31, 2021	December 31, 2020
Consumables	1,809,730	937,408
Raw materials	2,926,657	2,045,091
Work in progress	356,773	194,000
Finished goods	-	76,254
Less: provision for slow moving and obsolete items	(418,658)	(218,334)
Total	**4,674,502**	**3,034,419**

NOTE G - OTHER CURRENT ASSETS

Other current assets include the following:

	As at	
	December 31, 2021	December 31, 2020
Prepaid expenses	240,277	230,597
Advances and vendor deposits	50,499	169,266
Others	82,598	41,359
Total	**373,374**	**441,222**

NOTE H - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, include the following:

	As at	
	December 31, 2021	December 31, 2020
Building	5,672,458	5,672,458
Leasehold improvements	2,306,385	2,206, 680
Machinery and equipment	19,398,487	18,487,985
Furniture and fixtures	464,959	449,468
Computers and related equipment	893,395	685,921
Vehicles	10,140	10,140
Construction in progress	18,114,593	18,022,283
Less: Accumulated depreciation	(16,459,404)	(15,051,466)
Property, plant and equipment, net	**30,401,013**	**30,483,469**

Depreciation expense for the year ended December 31, 2021, was $1,542,589 (December 31, 2020, was $1,999,155).

NOTE I - INTANGIBLE ASSETS, NET

Intangible assets, net, include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Software	1,054,989	855,139
Less: Accumulated amortization	(835,326)	(624,146)
Software, net	**219,663**	**230,993**
Customer relationships	9,063,074	9,063,074
Less: Accumulated amortization	(9,009,814)	(7,715,089)
Customer relationships, net	**53,260**	**1,347,985**
Intangible assets, net	**272,923**	**1,578,978**

The estimated amortization schedule for software and customer relationships is set out below:

Year ending December 31,	**Software**	**Customer relationships**
2022	38,172	53,260
2023 and later	181,491	-

Amortization expense for the year ended December 31, 2021, is $1,505,904 (December 31, 2020, was $1,507,965).

The Company recorded a $6,072,630 million impairment charge within the asset impairment line on the statements of loss during the year ended December 31, 2020. The impairment charge was recognized as a result of management's decision to cease using the trademark "Coldstream" in all of its agreements.

NOTE J - ACCOUNTS PAYABLE

Accounts payable comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Trade payables	2,091,505	589,633
Capital creditors	86,771	100,000
Provision for materials received	693,487	482,361
Total	**2,871,763**	**1,171,994**

NOTE K - BORROWINGS

Short term borrowings

	As at	
	December 31, 2021	**December 31, 2020**
Line of credit from bank	6,250,000	2,000,000

Loan from Piramal Healthcare Canada Limited	12,900,000	12,900,000
Loan from Ash Stevens LLC	2,500,000	1,800,000
Loan from Piramal Dutch Holdings N.V.	2,750,000	2,750,000
Total	**24,400,000**	**19,450,000**

Line of credit from bank
The Company availed a line of credit facility from HSBC Bank for working capital and general corporate purposes amounting to $ 2 million which is fully utilized. The interest rate on the line of credit is LIBOR plus 1% p.a. The interest expense accrued during the year ended December 31, 2021, was $ 41,705 (December 31, 2020, was $ 63,860). The line of credit is guaranteed by Piramal Healthcare UK Limited, a related party.

On October 07, 2021, the Company along with its Parent company and other affiliates (the "borrowers") entered into an additional uncommitted discretionary revolving line of credit with HSBC Bank up to an aggregate amount of $10 million to be used solely for working capital. The credit facility is secured by a first priority of secured interest and a lien on accounts receivable and inventory of the borrowers. The credit facility is payable on demand and carries an interest rate of LIBOR plus 2% p.a. As on December 31, 2021, the Company has utilized $ 4,250,000 and the interest expense accrued during the year ended December 31, 2021, was $ 28,385.

Loan from Piramal Healthcare Canada Ltd (PHCL)
The Company as at December 31, 2021 had a debt of $ 12,900,000 (December 31, 2020: $12,900,000), repayable on demand. The interest rate during the year ended December 31, 2021, was 5.00% (December 31, 2020 – 5.00%) and the interest expense during the year was $ 747,886 (December 31, 2020: $ 607,589). The outstanding interest as at December 31, 2021 was $ 1,234,486 (December 31, 2020: $ 1,089,486).

Loan from Ash Stevens, LLC
During the year 2021, the Company obtained an additional loan amounting to $3,000,000 from Ash Stevens, LLC (December 31, 2020: additional loan obtained amounted to $2,550,000). Part of it amounting to $2,300,000 was repaid during the year ended December 31, 2021 (December 31, 2020 - $750,000) and the closing outstanding balance as at December 31, 2021 was $ 2,500,000 (December 31, 2020 – $ 1,800,000). The interest rate during the year ended December 31, 2021, was 5.50% (December 31, 2020 – 5.50%) and the Company recorded an interest expense totaling $ 90,200 during the year ended December 31, 2021 (December 31, 2020 - $ 70,498). The outstanding interest as at December 31, 2021 was $ 58,229 (December 31, 2020: $ 168,029).

Loan from Piramal Dutch Holdings N.V.
The Company at December 31, 2021 had a debt of $ 2,750,000. (December 31, 2020; $ 2,750,000), repayable on demand. The interest expense during the year was $ 27,500 (December 31, 2020: $ 18,519). The interest rate during the year ended December 31, 2021, was 5.25% (December 31, 2020 – 4.00%) and the outstanding interest as at December 31, 2021 was $ 46,019. (December 31, 2020: $ 18,519).

Long term borrowings

	As at	
	December 31, 2021	**December 31, 2020**
Loan from Piramal Healthcare Inc.	37,394,304	37,394,304
Loan from PEL Pharma Inc.	23,474,910	23,474,910
Total	**60,869,214**	**60,869,214**

Loan from Piramal Healthcare Inc.
The Company has a long-term debt of $ 37,394,304 (December 31, 2020, $37,394,304) from Piramal Healthcare Inc.("PHI"). The interest rate on the loan during the year December 31, 2021, was 2% p.a. (December 31, 2020: 2.00%). The interest expense during the year ended December 31, 2021, was $ 747,886 (December 31, 2020, was $ 741,639). The outstanding interest as at December 31, 2021 was $ 8,347,218 (December 31, 2020: $ 7,599,332).

Loan from PEL Pharma Inc.
In the year 2017, the Company obtained a loan from PEL Pharma Inc. ('PEL Pharma' or 'parent company') amounting to $ 8,699,910 and in 2018, the outstanding amount increased to $ 20,249,910. The Company, at December 31, 2021, had a long-term debt of $ 23,474,910 (December 31, 2020 $ 23,474,910) bearing interest at 5.50 % p.a. The interest expense during the year ended December 31, 2021, was $ 1,291,120. (December 31, 2020, was $1,223,127). The outstanding interest as at December 31, 2021 was $ 4,572,494 (December 31, 2020: $ 3,281,374).

NOTE L - OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Deferred rent liability	6,686	29,454
Interest payable on loans	14,258,445	12,179,139
Payroll liabilities	1,016,470	1,091,949
Deferred revenue	5,572,285	2,993,401
Royalty payable	47,987	17,316
Accrued expenses	1,048,840	744,646
Total	**21,950,713**	**17,055,905**

NOTE M - REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregated revenue information

	For the year ended	
	December 31, 2021	**December 31, 2020**
Type of goods or services		
Service revenue	5,450,660	4,491,301
Clinical manufacturing revenue	19,269,646	13,467,608
Total	**24,720,306**	**17,958,909**
Timing of revenue recognition		
Services transferred over time	5,450,660	4,491,301
Goods and services transferred at a point in time	19,269,646	13,467,608
Total	**24,720,306**	**17,958,909**

NOTE N - INCOME TAXES

The Company is a member of PEL Pharma Inc. consolidated federal tax group from 2016. Accordingly, the Company files a consolidated tax return with PEL Pharma Inc. The Company files combined state tax returns with affiliated companies in certain states while in certain states, the Company files the tax returns at the standalone level. The components of the provision for income tax are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
Current taxes		
State	2,081	2,081
Deferred taxes		
Federal	17,529	(67,487)
State	(769)	(18,808)
Provision for income taxes	**18,841**	**(84,214)**

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income tax are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
Income tax at federal rate	(2,170,893)	(4,320,977)
State tax, net of federal effect	361,865	(843,448)
Franchise tax	-	(36)
Return to provision	247	(1,700)
Permanent differences	6,395	26
Change in research and development credit	-	-
Change in valuation allowance	1,821,227	5,081,921
Total	**18,841**	**(84,214)**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at	
	December 31, 2021	December 31, 2020
Non-current deferred tax liabilities		
Plant, property, and equipment	(1,484,470)	(1,301,314)
Acquired goodwill	(456,493)	(714,606)
Intangibles other than goodwill	-	-
Prepaid expenses	(60,569)	(62,444)
Total deferred tax liabilities	**(2,001,532)**	**(2,078,364)**

Non-current deferred tax assets		
Deferred revenue	137,618	-
Accrued expenses	2,460,918	2,100,878
Charitable contribution	-	41
Deferred rent	1,764	8,069
Intangibles other than goodwill	1,819,458	1,173,542
Provision for doubtful debts	267,750	223,529
Research and development credit	111,975	111,975
Net operating losses	13,313,045	12,646,152
Total	**18,112,528**	**16,264,186**
Less: Valuation allowance	(16,270,677)	(14,328,743)
Total deferred tax assets	**1,841,851**	**1,935,443**
Net deferred tax liability	**(159,681)**	**(142,921)**

Based on history of losses, management believes that it is more likely than not that the benefit from deferred tax asset may not be realized in foreseeable future. In recognition of this risk, a valuation allowance of $16,270,677 and $14,328,743 respectively has been created as at December 31, 2021 and December 31, 2020.

The Company has recognized deferred tax liability of $798,406 and $714,606 respectively as of December 31, 2021, and December 31, 2020, on account of temporary differences arising out of goodwill and trademark amortization for tax purposes. Such deferred tax liability may be offset against deferred tax assets on net operating losses generated post tax year 2017 up to 80% of deferred tax liability. Accordingly, the Company has not set off deferred tax liability on goodwill and trademark against deferred tax asset to the extent of 20% i.e., $159,681 as of December 31, 2021, and $142,921 as of December 31, 2020.

The Company has federal net operating loss carryforwards of approximately $56,785,252 and $47,318,625 respectively as on December 31, 2021, and December 31, 2020. The NOLs generated in 2016 and 2017 which if unutilized will expire by the year 2036 and 2037, respectively and the NOLs generated after 2017 will be carry forwarded infinitely.

The Company has state net operating loss carryforwards of approximately $46,957,694 and $39,869,098 as at December 31, 2021 and December 31, 2020, respectively which if unutilized will begin to expire from the year 2037.

Accounting for uncertain tax position
The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at December 31, 2021 and December 31, 2020.

The tax years of 2018 through 2020 shall remain subject to examination by the taxing authorities.

NOTE O - EMPLOYEE BENEFIT PLANS

The Company contributes 100% of the salary deferrals to the extent that they do not exceed 5% of the compensation. The total expense for employee retirement contribution plans for the year ended December 31, 2021, was $ 413,705. (December 31, 2020, was $ 322,593). The Company has established a severance plan for all eligible employees.

NOTE P - COMMITMENTS AND CONTINGENCIES

Operating leases
The Company has leased office premises and warehouse facility. The Company has also leased equipment, computers, and printers. Rental expenses for the year ended December 31, 2021, was $ 1,797,312 (December 31, 2020, was $ 1,518,697). The amounts have been included in selling, general and administrative expenses. As of December 31, 2021, future rental commitments for the non-cancelable leases are as follows:

Year ending December 31,	Premises & warehouse	Equipment and others
2022	1,217,538	448,604
2023	1,388,950	162,100
2024	830,106	105,252
2025 and thereafter	-	151,817

NOTE Q - RELATED PARTY TRANSACTIONS

A. Ultimate parent company
1. Piramal Enterprises Limited, India

B. Parent company
1. PEL Pharma Inc. (100% membership interest holder)

C. Other related parties where common control exists
1. Ash Stevens LLC (affiliate company)
2. Piramal Healthcare Inc. (affiliate company)
3. Piramal Pharma Inc. (affiliate company)
4. Piramal Critical Care Inc. (affiliate company)
5. Piramal Critical Care Limited (affiliate company)
6. Piramal Healthcare Canada Limited (affiliate company)
7. Piramal Healthcare UK Limited (affiliate company)
8. Piramal Glass Limited (affiliate company)
9. Piramal Corporate Services Limited (affiliate company)
10. PEL Healthcare LLC (affiliate company)

Summary of balances due to and from related parties and transactions during the year are as follows:

	As at and for the year ended	
	December 31, 2021	December 31, 2020
Piramal Pharma Inc.		
Expense incurred on behalf of the company	-	30,082
Balance payable at the end of the year	1,348,048	1,348,048

Piramal Healthcare UK Limited (Morpeth facility)		
Loan commission guarantee charges	22,245	49,188
Expense incurred on behalf of PHUK	-	122,681
Balance payable at end of the year	10,245	-
Piramal Enterprises Limited		
Insurance premium charges	13,231	21,485
Balance payable at end of the year	13,231	9,283
Piramal Glass Limited		
Expense incurred on behalf of company	-	27,884
Balance payable at end of the year	-	27,884
Ash Stevens LLC		
Expense incurred on behalf of company	504,316	247,551
Expense incurred on behalf of Ash Stevens LLC	733	15,819
Balance payable at end of the year	119,279	88,981
Piramal Corporate Services Limited		
Royalty expense during the year	155,503	67,523
Balance payable at end of the year	47,986	17,316
Piramal Critical Care Limited (UK)		
Balance receivable at end of the year	3,194,000	3,194,000
Piramal Critical Care Inc.		
Sale of services during the year	2,700	2,400
Expense incurred on behalf of PCCI	2,836	-
Balance receivable at end of the year	2,700	2,400
PEL Healthcare LLC		
Expense incurred on behalf of PEL Healthcare LLC	28,139	-
Balance receivable at end of the year	-	-
PEL Pharma Inc.		
Legal fees paid on behalf of PEL Pharma	-	198
Balance receivable at end of the year	-	99
Piramal Healthcare UK Limited		
Purchases of services during the year	16,368	-
Expense incurred on behalf of PHUK	664,015	816,897
Balance receivable at end of the year	1,226,370	816,897

NOTE R - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivable. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and trade receivables involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of December 31, 2021, there was no significant risk of loss in the event of non-performance of the counter parties to accounts receivable. Cash balances in excess of $ 250,000 aggregate per bank are not insured by the Federal Deposit Insurance Corporation and represent cash balances at risk.

The Company's top 5 customers accounted for approximately 62% (previous year, top 2 customers accounted for 31%) of total accounts receivable. The top 5 customers accounted for approximately 48 % of total revenues during the year ended December 31, 2021(previous year, top 10 customers accounted for 67% of total revenues).

The Company's top five vendors accounted for approximately 54% of the accounts payable as of December 31, 2021 (previous year top five vendors accounted for approximately 86% of total accounts payable). The Company buys certain raw materials from a limited number of suppliers. Management believes that other suppliers could provide these materials on comparable terms.

NOTE S - RISK AND UNCERTAINITIES

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from expectations include but are not limited to government regulations and credit risk. The Company's cash resources are invested with financial institutions with high investment grade credit ratings. The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

NOTE T - COMMON STOCK

Common stock issued
The authorized share capital of the Company is 1,000 shares at no par value. All authorized shares were issued.

Voting
Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation
In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE U - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date these financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements

Piramal Dutch IM Holdco B.V.

located, Amsterdam

Report on the annual accounts
2021

Table of contents

Financial statements

Balance sheet as at 31 December 2021
(Before distribution of result)

Assets

		31-12-2021		31-12-2020	
		$	$	$	$
Fixed assets					
Financial fixed assets	*1*	- 0		50.201.689	
			- 0		50.201.689
Current assets					
Receivables	*2*		40.547		519.637
Cash					
Citi Bank			3.052.029		307.840
Fixed deposit			60.000.000		
			63.092.576		51.029.166

Balance sheet as at 31 December 2021

Liabilities

		31-12-2021		31-12-2020	
		$	$	$	$
Shareholders' equity	*3*				
Issued share capital	*4*	20.816.001		20.816.001	
Other reserve		28.526.422		2.164.967	
Result for the year		4.797.393		- 1.827.099	
			54.139.817		21.153.869
Long-term liabilities					
Liabilities to group companies	*5*	8.600.000		29.528.545	
			8.600.000		29.528.545
Current liabilities, accruals and deferred income					
Liabilities to group companies	*6*	330.099		322.495	
Other liabilities and accrued expenses	*7*	22.661		24.257	
			352.760		346.752
			63.092.576		51.029.166

Profit and loss account for the year 2021

			2021		2020
		$	$	$	$
General expenses	*8*	- 5.558.887		- 136.026	
Total operating expenses			- 5.558.887		- 136.026
Operating result			5.558.887		136.026
Other interest and similar income	*9*	29.003		9.051.713	
Interest and similar expenses	*10*	- 790.497		- 11.014.838	
Financial income and expense			- 761.494		- 1.963.125
Result of ordinary activities before taxation			4.797.393		- 1.827.099
Taxation			-		-
Net result after taxes			4.797.393		- 1.827.099

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Piramal Dutch IM Holdco B.V. is Schiphol Boulevard 403, Tower C-4, 1118 BK Schiphol, The Netherlands (previously Strawinskylaan 937, 1077 XX in Amsterdam, The Netherlands). Piramal Dutch IM Holdco B.V. is registered at the trade register under number 65514769.

General notes

The most important activities of the entity

The activities of Piramal Dutch IM Holdco B.V. consist mainly of: financing and holding activities

The exemption of consolidation

Consolidation has not taken place, since Piramal Dutch IM Holdco B.V. makes use of article 408, Book 2 of the Dutch Civil Code and consequently will file the consolidated accounts of Piramal Enterprises Limited, Mumbai, India with the Commercial Register in Amsterdam, The Netherlands.

On that basis Piramal Dutch IM Holdco B.V. can be classified as a micro sized company.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Conversion of amounts denominated in foreign currency

Items included in the financial statements of Piramal Dutch IM Holdco B.V. are valued with due regard for the currency in the economic environment in which the corporation carries out most of its activities (the functional currency). The financial statements are denominated in USD; this is both the functional currency and presentation currency of Piramal Dutch IM Holdco B.V.

Foreign currency translation for the balance sheet

At the end of the reporting date, all monetary assets and liabilities denominated in foreign currencies are converted into USD at the rate of exchange prevailing at the balance sheet date, whereas non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate prevailing at the month of the transaction.

Accounting principles

Financial assets

Participations are valued at cost, and if applicable less impairments. Acquisition related expenditure is expensed in the year of incurring the same. Dividends are accounted for when received.

Net asset value of the participations is not presented as the company's management is of the opinion that in the light of the aforementioned application of Article 408, disclosure of such information would not enhance the insight in the company's financial position and results already provided by these financial statements together with the consolidated financial statements of Piramal Enterprises Limited, Mumbai, India.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet

Fixed assets

		31-12-2021	31-12-2020
		$	$
1 Financial fixed assets			
Participations in group companies	-	0	20.816.001
Receivables from group companies	-	0	29.385.688
	-	0	50.201.689

Participations in group companies

Name	Legal seat	Ownership			
PEL-DRG Dutch Holdco B.V.	The Netherlands	100,00%	-	0	20.816.001

Receivables from group companies

Receivable from PEL-DRG Dutch Holdco B.V.	-	0	29.385.688

Current assets

2 Receivables

Receivables from group companies

Receivable from PEL-DRG Dutch Holdco B.V.	-	508.093
Receivables from Piramal Holdings Suisse S.A., Switzerland	11.544	11.544
Interest Receivable - FD - Barclays	29.003	-
	40.547	519.637

3 Shareholders' equity

Movements in equity were as follows:

	Issued share capital	Other reserve	Result for the year	Total
	$	$	$	$
Balance as at 1 January 2021	20.816.001	2.164.967	- 1.827.099	21.153.869
Result for the year	-	-	4.797.393	4.797.393
Appropriation of result	-	- 1.827.099	1.827.099	-
Reserves PEL -DRG Duth Holdco B.V.	-	28.188.554	-	28.188.554
Balance as at 31 December 2021	20.816.001	28.526.422	4.797.393	54.139.817

4 Issued share capital

The issued share capital of Piramal Dutch IM Holdco B.V. amounts to EUR 20.000.001 divided into 20.000.001 ordinary shares with a nominal value of EUR 1 each, which is translated into USD at the rate of exchange at the date of issue of the shares.

On 24th of June 2021 PEL-DRG Holdco B.V. merged with Piramal Dutch IM Holdco B.V. and ceased to exist.
The Company legally obtained all assets and liabilities of PEL-DRG Holdco BV.

	31-12-2021	**31-12-2020**
	$	**$**

Long-term liabilities

5 Long-term liabilities

Liabilities to group companies	8.600.000	29.528.545
	8.600.000	29.528.545

Liabilities to group companies

Liability to Piramal Enterprises Ltd., India	-	14.365.997
Liability to Piramal Healthcare Inc., USA	-	6.562.548
Liability to IndiaReit Investment Management Company, Mauritius	8.600.000	8.600.000
	8.600.000	29.528.545

	31-12-2021	31-12-2020
	$	$

Current liabilities, accruals and deferred income

6 Liabilities to group companies

	31-12-2021	31-12-2020
Liabilities to group companies	330.099	322.495
	330.099	322.495

Liabilities to group companies

	31-12-2021	31-12-2020
Liability to Piramal Enterprises Ltd., India	-	203.382
Liability to Piramal Healthcare Inc., USA	-	47.014
Liability to IndiaReit Investment Management Company, Mauritius	330.099	72.099
	330.099	322.495

7 Other liabilities and accrued expenses

	31-12-2021	31-12-2020
Audit fees and other accrued expenses	22.661	24.257

Appropriation of result

The management of the company proposes to appropriate the result as follows:

The gain for the year 2021 in the amount of $ 4.797.393 will be added to the other reserves.

This proposal needs to be determined by the General Meeting and has therefore not yet been processed in the annual accounts 2021 for the company.

Notes to the profit and loss account

	2021	2020
	$	$
8 General expenses		
Audit costs, review of the annual accounts	- 32.577	13.186
Currency translation differences	- 4.101	- 317.147
Bank expenses	1.654	998
VAT refund	- 4.694	-
Fair value gain/ loss on contingent consideration	- 13.122.452	-
Foreign Taxes	10.450.000	-
Professional charges	- 2.846.718	166.937
	- 5.558.887	- 136.026
9 Interest and similar income		
Interest of receivables from group companies	-	9.051.713
Interest receivable FD Barclays	29.003	
	29.003	9.051.713
10 Interest and similar expenses		
Interest liabilities to group companies	416.582	8.147.750
Interest liabilities to Barclays	373.915	367.088
Processing fees - Barclays loan	-	2.500.000
	790.497	11.014.838
Interest liabilities to group companies		
Interest liabilities to Piramal Enterprises Ltd.	416.582	8.147.750

Future outlook

On March 15th 2022 Piramal Dutch IM HOLDCO BV paid Dividend of USD 31.86 Million and also Buy Back of Shares by the Shareholder Piramal Enterprises Limited for 20 Million Shares at 1 EUR each.

On 8th April 2022 , The board of Piramal Dutch IM HOLDCO BV noted and placed on record the intention to recommend to the shareholder the Liquidation of the company . The process of liquidation would be completed in Year 2022.

23 May 2022
Piramal Dutch IM Holdco B.V.

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P.D. DeYoung

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Martin Kruithof
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M. Kruithof

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V.V. Agarwal

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Piramal Consumer Products Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements **Piramal Consumer Products Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 notes to the financial statements including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its profit (financial performance 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 specified under section 143 (10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business

Responsibility 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 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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 Indian Accounting Standards (Ind AS) prescribed 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 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 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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:

a) 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.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

Khandelwal & Co.
Jaipur
Chartered Accountants

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 system in place and the operating effectiveness of such controls

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

d) 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.

e) 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 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 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

Khandelwal & Co. Chartered Accountants

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, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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 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 section 197(16) of the Act, as amended, the company has not paid any remuneration to its directors during the year hence provisions of section 197 of the Act shall not be 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 does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There are no amounts which are 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, 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 its 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

Mayur Khandelwal & Co. Chartered Accountants

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 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.

For M/s. Mayur Khandelwal & Co.
Chartered Accountants
FRN: 134723W

(MAYUR KHANDELWAL)
Partner
Membership No. 146156

Mayur Khandelwal & Co. ★ Chartered Accountants ★

UDIN: 22146156AJMCAY4257
Mumbai: May 13, 2022

O/c.

ANNEXURE 'A'
TO THE 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 **Piramal Consumer Products Private Limited** on the standalone Ind AS financial statements for the year ended 31st March 2022]

(i) The company does not hold any Property, Plant and Equipment, intangible assets and immovable properties accordingly, reporting on paragraph 3 (i) of the order is not applicable.

(ii) (a) The company does not have any inventory and hence reporting on paragraph 3 (ii) (a) of the order is not applicable.

(b) During any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions and hence reporting on paragraph 3 (ii) (b) of the order is not applicable.

(iii) During the year the company has not made any investments in, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. However, during the year the company has granted loan to it's related party as per sec 2(76) of companies act, 2013, in our opinion, based on our examination and according to information and explanation given to us, terms and conditions of the grant of such loan are not prejudicial to the company's interest. Also, specified loan was not repayable on demand and terms and period of repayment were clearly specified.

(iv) In our opinion, based on our examination and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 applies and hence reporting on paragraph 3 (iv) of the order is not applicable.

(v) In our opinion, based on our examination and according to information and explanation given to us, the company has not accepted any deposits and hence reporting on paragraph 3 (v) of the order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and hence reporting on paragraph 3 (vi) of the order is not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including income-tax and any other statutory dues as applicable to the Company to the appropriate authorities.

(b) There are no dues of income tax which have not been deposited on account of any disputes.

(viii) There are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

(ix) (a) In our opinion, based on our examination and according to information and explanation given to us, the company does not have any loans or other borrowings from any lender and hence reporting on paragraph 3 (ix) (a) of the order is not applicable.

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(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under paragraph 3 (ix) (c) of the Order is not applicable.

(d) No funds are raised by the company during the year and hence, reporting under paragraph 3 (ix) (d) of the Order is not applicable.

(e) The company has not taken any funds from any entity or person during the year and hence reporting on paragraph 3 (ix) (e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on paragraph 3 (ix) (f) of the Order is not applicable.

(x) a. According to the information and explanations given to us and based on our examination of the records of the company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments).

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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 this report.

(c) The company has not received any whistle-blower complaints during the year and hence reporting on paragraph 3 (xi) (c) of the order is not applicable.

(xii) The Company is not a Nidhi Company and accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further provisions of section 177 of the Act are not applicable to the company.

(xiv) Internal audit is not applicable to the Company; hence paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

Mayur Khandelwal & Co. Chartered Accountants

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

(xvii) The company has not incurred cash losses in the financial year and immediately preceding Financial year.

(xviii) There has been no resignation of statutory auditors during the year.

(xix) 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 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 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 based on our examination of the records of the company and hence reporting on paragraph 3(xx) of the Order is not applicable.

(xxi) The company is not required to prepare consolidated financial statements and hence paragraph 3 (xxi) of the Order is not applicable to the Company.

For M/s. Mayur Khandelwal & Co.
Chartered Accountants
FRN: 134723W

(MAYUR KHANDELWAL)
Partner
Membership No. 146156

Mayur Khandelwal & Co. ★ Chartered Accountants ★

UDIN: 22146156AJMCAY4257
Mumbai: May 13, 2022

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **Piramal Consumer Products 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Piramal Consumer Products Private Limited** ("the Company") as at March 31, 2022, in conjunction with our audit of the 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 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, 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.

Auditors' responsibility

Our responsibility is to express an opinion on the 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 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 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 in 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 control system over financial reporting.

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.

Manjiri Khandelwal & Co.* Chartered Accountants

A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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 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 M/s. Mayur Khandelwal & Co.
Chartered Accountants
FRN: 134723W

(MAYUR KHANDELWAL)
Partner
Membership No. 146156

Mayur Khandelwal & Co. ★ Chartered Accountants ★

UDIN: 22146156AJMCAY4257
Mumbai: May 13, 2022

Piramal Consumer Products Private Limited
Balance Sheet as at March 31, 2022
(Currency: Indian Rupees In Lakhs)

Particulars	Note No	31.03.2022	31.03.2021
ASSETS			
Non-current assets			
(a) Financial Assets			
(i) Other Financial Assets	3	-	0.10
(b) Other non-current assets	4	28.56	13.55
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	5	2,289.33	2,174.18
(b) Other current assets	6	0.22	0.21
Total Assets		2,318.11	2,188.04
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	7	1,457.04	1,457.04
(b) Other Equity	8	851.84	730.19
Liabilities			
Current liabilities			
(a) Financial Liabilities			
i) Trade Payable			
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		8.83	0.55
(b) Other Current Liabilities	9	0.40	0.26
Total Equity and Liabilities		2,318.11	2,188.04
See accompanying notes to the Financial Statements			

For M/s. Mayur Khandelwal & Co.
Firm Registration Number :134723W
Chartered Accountants

Mayur Khandelwal & Co.★ Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors
Pirmal Consumer Products Privare Limited

Ninad Navalkar
Director

Bipin Singh
Director

Purushottam Tamhankar
Chief Financial Officer

Dhwani Chheda
Company Secretary

Mumbai
Date : May 13, 2022

Piramal Consumer Products Private Limited ★

Piramal Consumer Products Private Limited
Statement of Profit and loss for the year ended March 31, 2022
(Currency: Indian Rupees In Lakhs)

Particulars	Note No	31.03.2022	31.03.2021
I. Revenue from operations	10	151.35	70.42
II. Other Income	11	-	16.09
III. Total Income	(I + II)	**151.35**	**86.51**
IV. Expenses:			
Cost of materials consumed		-	-
Purchase of Stock in trade		-	-
Changes in inventories of finished goods, WIP and Stock-in-Trade		-	-
Employee benefit expenses	12	7.12	9.66
Finance costs		-	0.19
Depreciation and amortisation expense		-	-
Other expenses	13	1.72	1.30
Total Expenses		**8.84**	**11.14**
V. Profit before exceptional items and tax	(III - IV)	**142.51**	**75.37**
VI. Exceptional items		-	-
VII. Profit / (Loss) before tax	(V-VI)	**142.51**	**75.37**
VIII. Tax expense:			
(1) Current tax		20.86	18.97
(2) Deferred tax		-	-
IX. Profit/(Loss) from continuing operations	(VII-VIII)	**121.65**	**56.40**
X. Profit/(Loss) from discontinued operations		-	-
XI. Tax expense from discontinuing operations		-	-
XII. Profit/(Loss) from discontinuing operations after tax	(X-XI)	-	-
XIII. Profit / (Loss) for the period	(IX+XII)	**121.65**	**56.40**
XIV. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) income tax relating to items that will be reclassified to profit or loss		-	-
XV. Total Comprehensive Income for the period (XIII+XIV)	(XIII+XIV)	**121.65**	**56.40**
XVI. Earning per equity share (for discontinued operation):			
1. Basic EPS (In Rs.)		-	-
2. Diluted EPS (In Rs.)		-	-
XVI. Earning per equity share (for discontinued & continuing operation):	14		
1. Basic EPS (In Rs.)		0.83	0.39
2. Diluted EPS (In Rs.)		0.83	0.39
See accompanying notes to the Financial Statements			

For M/s. Mayur Khandelwal & Co.
Firm Registration Number :134723W
Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mayur Khandelwal & Co. Chartered Accountants

Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors
Pirmal Consumer Products Privare Limited

Ninad Navalkar
Director

Bipin Singh
Director

Purushottam Tamhankar
Chief Financial Officer

Dhwani Chheda
Company Secretary

Mumbai
Date : May 13, 2022

Piramal Consumer Products Private Limited

Piramal Consumer Products Private Limited
Cash Flow Statement for the year ended March 31,2022
(Currency: Indian Rupees In Lakhs)

	Particulars	31.3.2022	31.3.2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	142.51	75.37
	Adjustments :	-	-
	Interest income on loans given	(151.35)	(70.42)
	Provision for expected credit losses	0.14	
	Interest on Fixed Deposits	-	(9.82)
	(Operating Loss) before Working Capital Changes	**(8.70)**	**(4.87)**
	Adjustments For Changes In Working Capital :		
	- (Increase) in Other Current Assets	(0.01)	-
	- (Increase) in Other Financial assets	-	-
	- Increase / (Decrease) in Trade Payables	8.24	(0.21)
	- Increase / (Decrease) in Other Current Liabilities	0.15	(8.38)
	Cash Generated From Operations	**(0.33)**	**(13.45)**
	- Taxes Paid (Net of Refunds)	(35.87)	(32.52)
	Net Cash From / (Used in) Operating Activities (A)	**(36.20)**	**(45.97)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest income	151.35	80.24
	Net Cash From /(Used in) Investing Activities (B)	**151.35**	**80.24**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**	-	-
	Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+ (C)	**115.15**	**34.26**
	Cash and Cash Equivalents as at 31.3.2021	2,174.18	2,139.92
	Cash and Cash Equivalents as at 31.3.2022	**2,289.33**	**2,174.18**
	Cash and Cash Equivalents Comprise of:		
	Balances with Banks	**2,289.33**	**2,174.18**

The above Statement of cash flows should be read in conjunction with the accompanying notes

As per our report of even date attached

For M/s. Mayur Khandelwal & Co.
Firm Registration Number :134723W
Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mayur Khandelwal & Co. ★ Chartered Accountants ★

Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors
Pirmal Consumer Products Privare Limited

Ninad Navalkar
Director

Bipin Singh
Director

Purushottam Tamhankar
Chief Financial Officer

Dhwani Chheda
Company Secretary

Mumbai
Date : May 13, 2022

Piramal Consumer Products Private Limited ★

Piramal Consumer Products Private Limited
Statement of Changes in Equity for the year ended March 31, 2022
(Currency: Indian Rupees In Lakhs)

A. Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,457.04	-	1,457.04

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,457.04	-	1,457.04

B. Other Equity

(1) Current reporting period

Reserves and Surplus			
Particulars	Capital Contribution	Retained Earnings	Total
Balance at the beginning of the current reporting period		730.19	730.19
Total Comprehensive Income for the current year		121.65	121.65
Balance at the end of the current reporting period	-	851.84	851.84

(2) Previous reporting period

Reserves and Surplus			
Particulars	Capital Contribution	Retained Earnings	Total
Balance at the beginning of the current reporting period	-	673.79	673.79
Total Comprehensive Income for the current year	-	56.40	56.40
Balance at the end of the current reporting period	-	730.19	730.19

For M/s. Mayur Khandelwal & Co.
Firm Registration Number :134723W
Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mayur Khandelwal & Co. Chartered Accountants

Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors
Pirmal Consumer Products Privare Limited

Ninad Navalkar
Director

Bipin Singh
Director

Purushottam Tamhankar
Chief Financial Officer

Dhwani Chheda
Company Secretary

Piramal Consumer Products Private Limited

Mumbai
Date : May 13, 2022

Piramal Consumer Products Private Limited
Notes to Financial Statements
As on March 31, 2022

1. BACKGROUND

The Company was incorporated on July 18, 2012 and is a investment holding Company.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Compliance with Ind AS

The separate 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.
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 separate financial statements have been prepared on the historical cost basis.

ii) Basis of preparation and presentation

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

iii) 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.

iv) Provisions, contingent liabilities and contingent assets

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.

v) Revenue recognition

Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, based on the applicable incoterms. 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.

vi) Taxation

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for

Mayur Khandelwal & Co. ★ Chartered Accountants

Piramal Consumer Products Private Limited

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.

vii) **Current tax**

Current tax expense is recognised on a annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

viii) **Cash and Cash Equivalents**
In the cash flow statement, cash and cash equivalents includes balance in bank account.

xi) **Foreign Currency Transaction**
The transaction in foreign exchange are accounted at the exchange rate prevailing on the date of transactions. Gain or loss resulting from the settlement of such transaction and from the transiation of monetary assets and liabilities denominated in foreign currency are recoginsed in the Statement of Profit and Loss.

x) **Investments and Other Financial assets**
<u>Equity instruments</u>
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 of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Mayur Khandelwal & Co. ★ Chartered Accountants

Piramal Consumer Products Private Limited

Piramal Consumer Products Private Limited
Notes to Financial Statements (Continued)
As on March 31, 2022
(Currency: Indian Rupees In Lakhs)

	As at March 31, 2022 Amount	As at March 31, 2021 Amount
3 OTHER FINANCIAL ASSETS		
Deposits	0.10	0.10
Less: provision for expected credit losses	(0.10)	-
TOTAL	-	0.10

	As at March 31, 2022 Amount	As at March 31, 2021 Amount
4 OTHER NON CURRENT ASSETS		
Advance tax [Net of Provision of Rs.2,66,86,030; Previous year: Rs.2,46,00,000]	28.56	13.55
TOTAL	28.56	13.55

	As at March 31, 2022 Amount	As at March 31, 2021 Amount
5 CASH AND CASH EQUIVALENTS		
Balance with Banks	2,289.33	2,174.18
TOTAL	2,289.33	2,174.18

	As at March 31, 2022 Amount	As at March 31, 2021 Amount
6 OTHER CURRENT ASSETS		
Balances with with government / statutory audthorities	0.22	0.21
TOTAL	0.22	0.21

7 SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	7,50,00,000	7,500.00	7,50,00,000	7,500.00
	7,50,00,000	7,500.00	7,50,00,000	7,500.00
Issued				
Subscribed & Fully Paid Up				
Equity Shares of Rs. 10/- each fully paid-up	1,45,70,380	1,457.04	1,45,70,380	1,457.04
Total	1,45,70,380	1,457.04	1,45,70,380	1,457.04

Mayur Khandelwal & Co. ★ Chartered Accountants

Piramal Consumer Products Private Limited

Piramal Consumer Products Private Limited
Notes to Financial Statements (Continued)
As on March 31, 2022
(Currency: Indian Rupees In Lakhs)

a) **Reconciliation of shares:**

Particulars	Equity Shares As at March 31, 2022		Equity Shares As at March 31, 2021	
	Number	Amount	Number	Amount
At the beginning of the year	1,45,70,380	1,457.04	1,45,70,380	1,457.04
Issued during the period	-	-	-	-
At the end of the Year	**1,45,70,380**	**1,457.04**	**1,45,70,380**	**1,457.04**

b) **Terms / rights attached to equity share:**

Equity shares of Rs.10/- each fully paid. Each holder of equity shares is entitled to one vote of shares.
In the event of the 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 shareholder.

c) **Shares held by holding company**

Name of Shareholder	As at March 31, 2022 No. of shares	Amount	As at March 31, 2021 No. of shares	Amount
Piramal Enterprises Limited	1,45,70,379	1,457.04	1,45,70,379	1,457.04

d) **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at March 31, 2022 No. of Shares held	% of Holding	As at March 31, 2021 No. of Shares held	% of Holding
Piramal Enterprises Limited	1,45,70,379	99.99999%	1,45,70,379	99.99999%

e) **Details of shareholding of Promoters in the Company**

	As at March 31, 2022 No. of shares	% of total shares	% change during the
Piramal Enterprises Limited	1,45,70,379	99.99999%	-
Rajesh Laddha *	1	0.00001%	

	As at March 31, 2021 No. of shares	% of total shares	% change during the
Piramal Enterprises Limited	1,45,70,379	99.99999%	-
Rajesh Laddha *	1	0.00001%	

* The shares held by Rajesh Laddha are jointly held with Piramal Enterprises Limited

8 OTHER EQUITY	As at March 31, 2022 Amount	As at March 31, 2021 Amount
Retained Earnings		
As per last Balance Sheet	730.19	673.79
Profit for the year	121.65	56.40
TOTAL	851.84	730.19

9 OTHER CURRENT LIABILITIES	As at March 31, 2022 Amount	As at March 31, 2021 Amount
Accrual Expenses	0.33	0.19
Other liabilities	0.07	0.07
TOTAL	0.40	0.26

Mayur Khandelwal & Co. Chartered Accountants

Piramal Consumer Products Private Limited

Piramal Consumer Products Private Limited
Notes to Financial Statements (Continued)
As on March 31, 2022
(Currency: Indian Rupees In Lakhs)

		As at March 31, 2022 Amount	As at March 31, 2021 Amount
10 REVENUE FROM OPERATIONS			
Interest received		151.35	70.42
		151.35	70.42

		As at March 31, 2022 Amount	As at March 31, 2021 Amount
11 OTHER INCOME			
Interest on fixed deposits		-	9.82
Miscellaneous income		-	6.27
	TOTAL	-	16.09

		As at March 31, 2022 Amount	As at March 31, 2021 Amount
12 EMPLOYEE BENEFITS EXPENSES			
Salaries and Wages		7.12	8.86
Contribution to Provident Fund and Other Funds		-	0.73
Staff Welfare		0.01	0.07
	TOTAL	7.12	9.66

		As at March 31, 2022 Amount	As at March 31, 2021 Amount
13 OTHER EXPENSES			
Professional fees		0.20	0.75
Auditors' remuneration (refer note below)		0.05	0.05
Rates & Taxes		1.31	0.38
Bank charges		0.02	0.02
Provision for expected credit losses		0.14	-
Communication and Postage		-	0.10
	TOTAL	1.72	1.30

Note : Breakup of Auditors' remuneration

Particulars	As at March 31, 2022 Amount	As at March 31, 2021 Amount
Auditors' remuneration in respect of:		
Statutory Auditors:		
- Statutory Audit (excluding taxes)	0.05	0.05
	0.05	0.05

14 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:

The computation of earnings per share is set out below:

Particulars	As At March 31, 2022	As At March 31, 2021
Profit attributable to shareholders	121.65	56.40
Number of Shares	1,45,70,380	1,45,70,380
Weighted average number of Shares	1,45,70,380	1,45,70,380
Earning Per Share	**0.83**	**0.39**

Mayur Khandelwal & Co. Chartered Accountants

Piramal Consumer Products Private Limited

(Currency: Indian Rupees In Lakhs)

15 Income Tax Relating to Operations

a) Income tax recognised in profit or loss

	March 31, 2022	March 31, 2021
Current tax		
In respect of the current year	20.86	18.97
	20.86	18.97
Deferred tax		
In respect of the current year	-	-
Total income tax expense recognised in the current year	-	-

b) Income tax recognised in other comprehensive income

	March 31, 2022	March 31, 2021
Current tax	-	-
Deferred tax	-	-
Total income tax recognised in other comprehensive income	-	-

The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	March 31, 2022	March 31, 2021
Profit / (Loss) before tax	142.51	75.37
Income Tax expense calculated @25.17%	35.87	18.97
Others	(15.01)	(0.00)
Income Tax expense recognised in profit or loss	20.86	18.97

16 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 primarily consists of total equity only.

The Company determines the amount of capital required on the basis of annual as well as operating plans and other strategic investment plans.The funding requirements are met through equity or other long-term /short-term borrowings from Piramal Enterprises Limited, the Holding Company.

Foreign Currency Risk Management
There are no derivative / forward contracts outstanding as on March 31, 2022

17 Related Party Disclosures

(A) Controlling Company
- Piramal Enterprises Limited

(B) Fellow subsidiary company
- Piramal Systems and Technologies Private Limited
- PHL Fininvest Pvt Ltd

(C) Details of Transactions and closing balances

(Amount)

	Controlling / Fellow subsidiary	
	March 31,2022	March 31, 2021
Loan Received / (Given)		
- Piramal Systems and Technologies Private Limited		(2,100.00)
- PHL Fininvest Pvt Ltd	(2,100.00)	
Loan Repayment to / (repayment from)		
- Piramal Systems and Technologies Private Limited		(2,100.00)
- Piramal Enterprises Limited	-	-
- PHL Fininvest Pvt Ltd	(2,100.00)	
Employee benefits expense		
- Piramal Enterprises Limited	7.12	9.66

Piramal Consumer Products Private Limited
Notes to Financial Statements (Continued)
As on March 31, 2022
(Currency: Indian Rupees In Lakhs)

Rates & taxes		
- Piramal Enterprises Limited	1.28	-
Interest Paid (Received)		
- Piramal Systems and Technologies Private Limited	-	(70.42)
- PHL Fininvest Pvt Ltd	(151.35)	-
Payables		
- Piramal Enterprises Limited	8.48	0.07

18 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

(Amount)

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	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0
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
Further interest remaining due and payable for earlier years	-	-

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.

19 Risk Management

The Company's activities expose it to 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 funding requirements are met through equity or other long-term /short-term borrowings from Piramal Enterprises Limited, the Hodling Company.

20 Ageing schedule of trade payables

Particulars	As at March 31, 2022			
	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(i)MSME	-	-	-	-
(ii)Others	8.83	-	-	8.83
(iii) Disputed dues — MSME	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-

Particulars	As at March 31, 2021			
	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(i)MSME	-	-	-	-
(ii)Others	0.55	-	-	0.55
(iii) Disputed dues — MSME	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-

21 The financial statements were approved by board of directors on May 13, 2022

22 There are no contingent liabilities for the year ended March 31, 2022 (Previous year : Nil)

Piramal Consumer Products Private Limited

Mayur Khandelwal & Co. Chartered Accountants

Piramal Consumer Products Private Limited
Notes to Financial Statements (Continued)
As on March 31, 2022
(Currency: Indian Rupees In Lakhs)

23 Ratio disclosure

Ratio	For the year ended March 31, 2022	For the year ended March 31, 2021	variance (%)	Reason for variance
Current ratio	248.15	2,710.51	-91%	Increase in trade payables during the current year (Rs.8.82 lakhs) viz-a-viz the previous year (Rs.0.54 lakhs)
Debt-equity ratio	N.A	N.A	N.A	
Debt service coverage ratio	N.A	N.A	N.A	
Return on equity ratio	0.08	0.04	116%	Higher current year profits as compared to previous financial year
Inventory turnover ratio	N.A	N.A	N.A	
Trade receivables turnover ratio (in days)	N.A	N.A	N.A	
Trade payables turnover ratio (in days)	N.A	N.A	N.A	
Net capital turnover ratio	0.07	0.03	105%	Increase in turnover during the current year (Rs.151.34 lakhs) viz-a-viz the previous year (Rs.70.42 lakhs)
Net profit ratio (%)	0.80	0.80	0%	
Return on capital employed	0.05	0.03	104%	Higher current year profits as compared to previous financial year
Return on investment	N.A	N.A	N.A	

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

Signature to note 1 to 24 of Financial Statements.

As per our report of even date attached
For M/s. Mayur Khandelwal & Co.
Firm Registration Number :134723W
Chartered Accountants

Mayur Khandelwal
Partner
Membership No. 146156

Mayur Khandelwal & Co. ★ Chartered Accountants ★

Mumbai
Date : May 13, 2022

For and on behalf of the Board of Directors
Piramal Consumer Products Private Limited

Ninad Navalkar
Director

Bipin Singh
Director

Purushottam Tamhankar
Chief Financial Officer

Dhwani Chheda
Company Secretary

Mumbai
Date : May 13, 2022

Piramal Consumer Products Private Limited ★

Piramal Critical Care South Africa (Pty) Ltd

(Registration number 2016/338585/07)

Financial statements
for the year ended 31 December 2021

General Information

Country of incorporation and domicile	South Africa
Directors	Peter Daniel De Young Mahesh Shrikant Sane Kaushikkumar Pushkarray Upadhyay
Registered office	Office 2 Ground Floor Kiepersol House Stonemill Office Park 300 Acacia Road Darrenwood 2194
Postal address	Po Box 1088 Cresta Gauteng 2118
Reviewers	GNR Auditors

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The reports and statements set out below comprise the financial statements presented to the shareholders:

Level of assurance

These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act.

Directors' Responsibilities and Approval

The directors are required by the Companies Act, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewer and their report is presented on page 4.

The financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the directors on 18 May 2022 and were signed on its behalf by:

Approval of financial statements

MSSane

Peter Daniel De Young

Mahesh Shrikant Sane

Kaushikkumar Pushkarray Upadhyay

Chartered Accountants (SA)
Registered Auditors

018 293 2726
018 462 8039 (Klerksdorp)
018 293 2753
018 462 8245 (Klerksdorp)
E-mail: admin@gnrauditors.co.za
E-mail: klerksdorp@gnrauditors.co.za

Peter Mokaba Avenue 86
Potchefstroom
2531

20395
Noordbrug
2522

Independent Reviewer's Report

To the Directors of Piramal Critical Care South Africa (Pty) Ltd

We have reviewed the financial statements of Piramal Critical Care South Africa (Pty) Ltd, set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Piramal Critical Care South Africa (Pty) Ltd as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act.

GNR Auditors
CR Rademeyer CA(SA)
Partner

18 May 2022

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Piramal Critical Care South Africa (Pty) Ltd for the year ended 31 December 2021.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities . The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

2. Directors

The directors in office at the date of this report are as follows:

Directors
Peter Daniel De Young
Mahesh Shrikant Sane
Kaushikkumar Pushkarray
Upadhyay

3. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

5. Review

The financial statements are subject to an independent review and have been reviewed by GNR Auditors

Statement of Financial Position as at 31 December 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	2,974,314	3,889,918
Deferred tax	3	1,103,389	80,149
		4,077,703	**3,970,067**
Current Assets			
Inventories		31,702,921	62,852,298
Trade and other receivables	4	14,877,386	15,099,549
Cash and cash equivalents	5	6,682,994	5,384,808
		53,263,301	**83,336,655**
Total Assets		**57,341,004**	**87,306,722**
Equity and Liabilities			
Equity			
Share capital	6	9,750,120	9,750,120
Retained income		4,721,667	1,862,907
		14,471,787	**11,613,027**
Liabilities			
Non-Current Liabilities			
Loans from Group Companies		-	5,007,671
Current Liabilities			
Trade and other payables	7	40,953,780	70,563,774
Current tax payable	8	1,587,312	84,750
Provisions		328,125	37,500
		42,869,217	**70,686,024**
Total Liabilities		**42,869,217**	**75,693,695**
Total Equity and Liabilities		**57,341,004**	**87,306,722**

Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue		67,902,220	58,450,486
Cost of sales		(47,005,204)	(41,898,563)
Gross profit		**20,897,016**	**16,551,923**
Other income	9	827,443	1,058,863
Operating expenses		(17,711,787)	(18,167,971)
Material operating item 1 (taken out of operating expenses)		-	(925,368)
Operating profit (loss)		**4,012,672**	**(1,482,553)**
Investment revenue		727	134,911
Finance costs		(10,567)	(7,671)
Profit (loss) before taxation		**4,002,832**	**(1,355,313)**
Taxation	10	(1,144,072)	(92,611)
Profit for the period		**2,858,760**	**(1,447,924)**
Other comprehensive income		-	-
Total comprehensive income for the period		**2,858,760**	**(1,447,924)**

Statement of Changes in Equity

	Share capital R	Retained income R	Total equity R
Balance at 31 December 2019	**9,750,120**	**3,310,831**	**13,060,951**
Loss for the year	-	(1,447,924)	(1,447,924)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(1,447,924)**	**(1,447,924)**
Balance at 31 December 2020	**9,750,120**	**1,862,907**	**11,613,027**
Profit for the year	-	2,858,760	2,858,760
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**2,858,760**	**2,858,760**
Balance at 31 December 2021	**9,750,120**	**4,721,667**	**14,471,787**
Note(s)	6		

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from (used in) operations	11	6,980,447	(8,284,338)
Interest income		727	134,911
Finance costs		(10,567)	(7,671)
Tax paid		(664,750)	(721,600)
Other non-cash item		-	10,839
Net cash from operating activities		**6,305,857**	**(8,867,859)**
Cash flows from investing activities			
Cash flows from financing activities			
Movement of loans from group companies		(5,007,671)	5,007,671
Net cash from financing activities		**(5,007,671)**	**5,007,671**
Total cash movement for the period		**1,298,186**	**(3,860,188)**
Cash at the beginning of the period		5,384,808	9,244,996
Total cash at end of the period	5	**6,682,994**	**5,384,808**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period. The comparative figures are only for 10 months due to a year end change in 2019 and are therefore not comparable with current year figures.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	5
Office equipment	Straight line	5
IT equipment	Straight line	3
Vaporiser	Straight line	6

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Accounting Policies

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Accounting Policies

1.5 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.6 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company’s own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.8 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Foreign exchange

Foreign currency transactions

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

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

1.11 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.

Notes to the Financial Statements

	2021 R	2020 R

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Vaporiser	4,728,151	(1,773,090)	2,955,061	4,728,151	(985,050)	3,743,101
Motor vehicles	350,000	(349,999)	1	350,000	(262,504)	87,496
Office equipment	165,100	(145,848)	19,252	165,100	(112,824)	52,276
IT equipment	50,439	(50,439)	-	50,439	(43,394)	7,045
Total	**5,293,690**	**(2,319,376)**	**2,974,314**	**5,293,690**	**(1,403,772)**	**3,889,918**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
Vaporiser	3,743,101	(788,040)	2,955,061
Motor vehicles	87,496	(87,495)	1
Office equipment	52,276	(33,024)	19,252
IT equipment	7,045	(7,045)	-
	3,889,918	**(915,604)**	**2,974,314**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Depreciation	Closing balance
Plant and machinery	4,531,141	(788,040)	3,743,101
Motor vehicles	175,000	(87,504)	87,496
Office equipment	85,300	(33,024)	52,276
IT equipment	23,845	(16,800)	7,045
	4,815,286	**(925,368)**	**3,889,918**

3. Deferred tax

Reconciliation of deferred tax asset/(liability)

	2021	2020
At beginning of the period	80,149	101,971
Recognised in profit or loss:		
Arising from prior period adjustments not recognised retrospectively	-	(10,840)
Arising from increases (decrease) in provision for bonus provision	81,375	(72,975)
Arising from increases (decrease) in provision for obselete stock	942,474	48,111
Arising from increases (decrease) in provision for bad debts	(609)	3,042
	1,023,240	**(32,662)**
Other:		
Other adjustments	-	10,840
At end of the period	**1,103,389**	**80,149**

Notes to the Financial Statements

	2021 R	2020 R
4. Trade and other receivables		
Trade receivables	14,828,503	15,066,269
Deposits	48,883	33,280
	14,877,386	**15,099,549**

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2021 R	2020 R
Bank balances	6,682,994	5,384,808

6. Share capital

	2021 R	2020 R
Authorised		
Ordinary shares	4,000	4,000
Issued		
3000 Ordinary Shares Issued	9,750,120	9,750,120

7. Trade and other payables

	2021 R	2020 R
Trade payables	37,577,345	67,559,192
VAT payable	727,337	660,754
Accrued expense: Log Fees	(1,415)	453,086
Accrued expense: Commission	2,323,847	1,754,742
Accrued expense: Logistical Fees	180,600	136,000
Accrued expense: Royalties	146,066	-
	40,953,780	**70,563,774**

Unhedged foreign currency exposure	**Amount in foreign currency as at 31 December 2021**	**Amount in Rand as at 31 December 2021**	**Amount in foreign currency as at 31 December 2020**	**Amount in Rand as at 31 December 2020**
USD	2,343	35,375	3,082	46,723

8. Current tax payable (receivable)

	31 December 2021	**31 December 2020**
Current tax payable	1,587,312	84,750

9. Other income

	2021 R	2020 R
Creditors written back	-	24,559
Recoveries	827,443	1,034,304
	827,443	**1,058,863**

Notes to the Financial Statements

	2021 R	2020 R

10. Taxation

Major components of the tax expense

Current taxation		
South African normal tax - for the period	2,167,312	59,949
Deferred taxation		
South African deferred tax - for the period	(1,023,240)	32,662
	1,144,072	**92,611**

11. Cash generated from (used in) operations

Profit (loss) before taxation	4,002,832	(1,355,313)
Adjustments for:		
Depreciation and amortisation	915,604	925,368
Loss on foreign exchange	1,062	5,495
Interest received	(727)	(134,911)
Finance costs	10,567	7,671
Movements in provisions	290,625	(260,625)
Other non-cash items	-	(10,840)
Changes in working capital:		
Inventories	31,149,377	(25,053,805)
Trade and other receivables	222,163	(3,823,139)
Trade and other payables	(29,611,056)	21,415,761
	6,980,447	**(8,284,338)**

Notes to the Financial Statements

	2021 R	2020 R

12. Related parties

Relationships	
Holding company	Piramal Critical Care Limited
Associate Company	Piramal Enterprises Limited
Associate company	Piramal Critical Care Inc.
Associate company	Piramal Corporate services Private Limited

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

	2021 R	2020 R
Loan accounts - Owing (to) by related parties		
Piramal Critical Care Limited	-	(5,007,671)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Piramal Critical Care Limited	(37,494,336)	(67,102,040)
Piramal Critical Care Inc.	827,623	689,536
Piramal Enterprises Limited	(35,375)	(46,723)
Piramal Corporate services private Limited	-	(366,879)

Related party transactions

	2021 R	2020 R
Interest paid to (received from) related parties		
Piramal Critical Care Limited	10,548	7,671
Purchases from (sales to) related parties		
Piramal Critical Care Limited (stock purchases)	15,803,827	66,952,368
Piramal Critical Care Inc. (Depreciation cross-charges)	827,443	1,034,304
Piramal Corporate services private Limited (Royalties)	373,907	366,879

Detailed Income Statement

	Note(s)	2021 R	2020 R
Revenue			
Sale of goods		67,902,220	58,450,486
Cost of sales			
Opening stock		(62,852,298)	(37,798,493)
Purchases		(15,855,827)	(66,952,368)
Closing stock		31,702,921	62,852,298
		(47,005,204)	**(41,898,563)**
Gross profit		**20,897,016**	**16,551,923**
Other income			
Discount received		-	24,559
Recoveries		827,443	1,034,304
		827,443	**1,058,863**
Expenses (Refer to page 18)		**(17,711,787)**	**(19,093,339)**
Operating profit (loss)		**4,012,672**	**(1,482,553)**
Investment income		727	134,911
Finance costs		(10,567)	(7,671)
		(9,840)	**127,240**
Profit (loss) before taxation		**4,002,832**	**(1,355,313)**
Taxation	10	(1,144,072)	(92,611)
Profit for the period		**2,858,760**	**(1,447,924)**

Detailed Income Statement

	Note(s)	2021 R	2020 R
Operating expenses			
Accounting fees		(342,000)	(342,000)
Advertising		(6,840)	(5,555)
Bad debts		-	(14,665)
Bank charges		(16,346)	(23,262)
Cleaning		-	(800)
Marketing Commission		(9,785,246)	(10,251,034)
Computer expenses		-	(8,454)
Freight/Warehouse expenses		(1,799,399)	(1,669,930)
Depreciation, amortisation and impairments		(915,604)	(925,368)
Employee costs		(3,210,139)	(3,935,537)
Entertainment		(1,203)	(11,156)
Regulatory expense		(465,676)	(798,139)
Office expenses		(3,315)	(1,777)
Data Fees		(26,920)	(31,388)
Gifts		-	(1,132)
Insurance		(168,441)	(206,963)
Lease rentals on operating lease		(274,970)	(278,327)
Legal expenses		(17,550)	(7,442)
Motor vehicle expenses		(38,902)	-
Municipal expenses		(54,035)	(33,716)
Printing and stationery		(29,444)	(79,585)
Profit and loss on exchange differences		(1,062)	(5,495)
Royalties and license fees		(519,973)	(366,879)
Staff welfare		(390)	(1,409)
Subscriptions		-	(1,184)
Telephone and fax		(34,332)	(36,113)
Travel - local		-	(56,029)
		(17,711,787)	**(19,093,339)**

INDIAREIT Investment Management Co.

Audited Financial Statements

31 March 2022

INDIAREIT Investment Management Co.

CONTENTS

INDIAREIT Investment Management Co.

CORPORATE DATA

		Date appointed	Date resigned
DIRECTORS:	Mrs Latika Monga	1 September 2009	-
	Mr Abdool Fareed Soreefan	22 April 2014	-
	Mrs Hema Pydegadu	25 March 2019	-

ADMINISTRATOR AND SECRETARY:
SANNE Mauritius
Sanne House
Bank Street
TwentyEight
Cybercity
Ebène 72201
Republic of Mauritius

REGISTERED OFFICE:
Sanne House
Bank Street
TwentyEight
Cybercity
Ebène 72201
Republic of Mauritius

AUDITORS:
KPMG
KPMG Centre
31, Cybercity
Ebène
Republic of Mauritius

BANKER:
HSBC Bank(Mauritius) Limited
6th Floor, HSBC Centre
18, Cybercity
Ebène
Republic of Mauritius

INDIAREIT Investment Management Co.

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

The directors present the audited financial statements of INDIAREIT Investment Management Co. (the "Company"), for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as an investment manager.

RESULTS

The results of the Company for the year under review are shown in the statement of profit or loss and other comprehensive income and related notes.

DIVIDENDS

No dividend was paid by the Company during the year under review (2021: USD Nil).

DIRECTORS

The present membership of the Board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Mauritius Companies Act requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to Covid-19, which is at least, but is not limited to, twelve months from the date of approval of these financial statements. We confirm that we have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, as disclosed under note 16.

AUDITORS

The auditors, KPMG, have indicated their willingness to continue in office until the next annual meeting.

INDIAREIT Investment Management Co.

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Board ensures that the Company is in compliance with the rules of the National Code of Corporate Governance (the "Code") as issued by the National Committee on Corporate Governance on 13 February 2017 and which is effective as from reporting year ended 30 June 2018. The Board had on 3 April 2019 adopted a Corporate Governance Framework which is based on eight principles of the Code. The Board considers that it has maintained appropriate policies and procedures during the year ended 31 March 2022 to ensure compliance with the corporate governance principles.

The eight principles of the Code have been implemented as detailed below:

Principle 1: Governance Structure

The Company has obtained a Category 1 Global Business Licence and a Financial Services Licence from the Financial Services Commission ("FSC") on 31 March 2010. As part of the Corporate Governance Framework which the Board has adopted, the Company has also adopted a Board Charter, which clearly defines the role, function and objectives of the Board of Directors, as well as that of the Administrator, SANNE Mauritius.

The Company has in place a Constitution which sets out the rights, powers, duties and obligations of the Company, the Board, each director and each shareholder which it needs to abide along with other local laws and regulations.

In addition, in line with the Securities Act 2005 ("SA 05"), the Company has adopted a Code of Ethics on 28 February 2014, which sets out general statements on principles of ethical conduct towards stakeholders. The Board reviews the suitability and effectiveness of the Code of Ethics at least once per year.

The Board ensures that objectives of the Company are being met through the implementation of adequate policies and processes that lead to value-creation. The Board also manages and controls the organisation and is collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements including the following:

(i) Determines, agrees and develops the Company's general policy on corporate governance in accordance with the Code;
(ii) Deliberates and resolves on all aspects of corporate governance and new Board appointment;
(iii) Prepares corporate governance reports; and
(iv) Reviews the terms and conditions of all service agreements between the Company and service providers.

The profiles of the Board of Directors are set out as follows:

Mr Abdool Fareed Soreefan

Mr Soreefan, resident in Mauritius, is a Director, Alternative Asset Services, at SANNE Mauritius. He is a Chartered Secretary from the UK Institute of Chartered Secretaries and Administrators and holds a Masters in Business Administration (Finance), UK. Mr Soreefan has 11 years of experience as a court officer with the Mauritius Judicial Department and worked for about a year with the secretarial arm of KPMG as deputy manager, in charge of its secretarial and insolvency departments. He joined SANNE Mauritius in August 1995 and has been involved in fund set up / administration and oversees compliance / corporate secretarial matters. Mr Soreefan serves as a director of a number of global business companies and investment funds.

Mrs Hema Pydegadu

Mrs Pydegadu, Client Director at SANNE Mauritius, is a Fellow of the Association of Chartered Certified Accountants, UK. She graduated with a BSc (Hons) Accounting and Finance from the University of Mauritius. She has over 15 years of experience at SANNE Mauritius. Prior to joining the Onboarding and Structuring Unit at SANNE Mauritius, she was heading a team handling fund administration, accounting, taxation, corporate secretarial and set up of global business licensed entities. She is involved in providing advice on structuring and identifying regulatory requirements with respect to incorporation and licensing. She handles set up of private equity funds, collective investment schemes and other global business entities. She also works on various special assignments of clients including re-structuring, due diligence, compliance with new regulations and advising on corporate secretarial matters. She has been exposed to the main areas of the industry including legal, tax, administration and corporate secretarial fields. She sits on the Board of a number of global business companies.

INDIAREIT Investment Management Co.

CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principle 1: Governance Structure (continued)

Mrs Latika Monga

Mrs Monga is the Chief Executive Officer of Piramal Asset Management Pte Ltd. She is also on the Board of Directors of the Company, which is the Manager to INDIAREIT Offshore Fund – USD 200 million fund raised in 2006 for investing in Indian real estate; currently being wound up. Prior to this, she was Chief Executive Officer ("CEO") of Asiastar Capital advising Whitney Asiastar Fund which was a long-short India equity hedge fund. Prior to this, she was CEO of J P Morgan Partners Singapore, managing investments made in India on behalf of JP Morgan Partners ("JPMP") and other investors. She also represented JPMP's interest by serving as a Non-Executive Director of HDFC Securities Limited and Microland Limited. Earlier, she was a founding partner of Citigroup Venture Capital's (CVC) Indian operations between 1995 and 2001 where she was responsible for formulating overall strategy, deal sourcing, supervising, execution and management of investments. She also represented Citigroup's interests by serving on the Board of directors of key portfolio companies. Prior to that, she worked with Citigroup from 1986 through 2001, and her last assignment was Head of the Western Region for Citibank's Indian corporate banking group. Mrs Monga has received her Bachelor of Commerce from Delhi University and her MBA at the Indian Institute of Management, Ahmedabad.

Principle 2: Structure of the Board and its Committees

The Board currently comprises of Mr Fareed Soreefan, Mrs Latika Monga as well as Mrs Hema Pydegadu. The Board meets as and when required to discuss routine and other significant matters so as to ensure that the directors maintain overall control and supervision of the Company's affairs. In line with the requirement of the Financial Services Act 2007 ("FSA 07"), all meetings of the Board have been attended by the 2 resident directors or alternates. In line with the Constitution of the Company, all Board meetings were quorate and have been held, chaired and minuted in Mauritius. During the year under review, the Company held 3 board meetings and the Board composition comprises of 1 executive director, Mrs Latika Monga and 2 non-executive directors, Mr Fareed Soreefan and Mrs Hema Pydegadu. In addition to the Board meetings, the Company held 1 Committee meeting comprising of Mr Fareed Soreefan and Mrs Hema Pydegadu.

The directors of the Company possess relevant qualification, experience and sufficient knowledge of the financial sector in general to contribute positively to the Board's activities. The directors are also aware of their continuous development and regularly attend professional development trainings, seminars relating to the industry in which the Company operates, among others.

The Board considers that its current size and composition are appropriate for the type of activity in which the Company is engaged and for the effective discharge of the Board's responsibilities.

The Board considers its current gender composition to be appropriate, which it shall reassess as required. Due to its size and nature of business as well as being a private company, there are no independent directors.

To further assist the Board in its functions, the following committees have been set up for the purposes detailed below:

- Tax Residence Certificate ("TRC") Committee comprising of Mr Fareed Soreefan and Mrs Hema Pydegadu for approval of TRC renewal on a yearly basis.

- Investment Committee comprising of Messrs Ajay Piramal, Nitin Nohria and John Thomson to review investment proposals, etc.

The minutes of the Committee meetings and decisions taken thereat for the year under review have been duly reviewed and will be ratified at next Board meeting of the Company.

Principle 3: Director Appointment Procedures

On a yearly basis, the shareholders take note of directorship at the annual meeting of the Company.

Any new induction to the Board goes through close scrutiny of, *inter alia*, the candidate's caliber and expertise required for the position - an induction program is therefore not applicable.

INDIAREIT Investment Management Co.

CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principle 3: Director Appointment Procedures (Continued)

Company Secretary

The Company Secretary has an advisory role in all governance-related matters concerning the Company and acts as the main point of contact for the directors and shareholders, should they require guidance on their statutory responsibilities.

The principal functions of the Company Secretary include supplying the Board with high quality and timely information, collaborating with the Board in the preparation of agendas and coordinating the information flow between the directors.

SANNE Mauritius has been appointed by the Board as Company Secretary since incorporation of the Company.

Principle 4: Directors Duties, Remuneration and Performance

The directors of the Company are aware of their duties under the Mauritius Companies Act 2001 and the Constitution of the Company, and exercise sufficient care, diligence and skills for the good conduct of the business. The directors are also guided by the Board Charter of the Company, which will be re-assessed on annual basis by the Board.

The Board meets regularly to discuss and approve the Company's operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making.

The Company Secretary will henceforth facilitate self-evaluation of the Board at regular intervals.

As a private Company, the Shareholders have approved unanimously a resolution to dispense with the requirement to keep a register of interests for Directors. In lieu, whenever, Directors are conflicted they disclose where they may be directly interested and/or abstain from voting.

Directors disclose promptly any direct and indirect interest in contracts or transactions with the Company. Wherever there are related party transactions, the directors ensure that transactions are at arm's length/ market rates. All related party transactions are disclosed in the annual audited financial statements.

The Company, in line with the SA 05, has adopted a Policy for Conflicts of Interest – same was last re-assessed by the Board on 13 April 2018. Any transaction potentially involving a conflict of interest is conducted in accordance with the Conflicts of Interest Policy and the Code of Ethics. The Company has adopted a Code of Business Conduct with effect from 1 January 2016, which also provides guidance on how to avoid any conflict of interest or potential ones and disclose promptly if it cannot be avoided. The Code of Business Conduct will re-assessed by the Board at its next meeting.

Remuneration of directors is approved by the Board before making any disbursement and is in line with agreements in place. The Board is satisfied that no remuneration committee needs to be set up for guidance on remuneration process for the Company.

The Company Secretary has effective IT policies and strategies in place, and ensures that correct, timely and clear information flows to the Board as and when required. Such IT policies and strategies are subject to an annual audit. The directors ensure strict confidentiality with respect to information obtained while exercising their duties.

INDIAREIT Investment Management Co.

CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principle 5: Risk Management and Internal Control

The oversight of risk management and internal control activities, either at the level of the Company or its service providers, is currently delegated to the Board of directors which regularly reviews the effectiveness of the internal control and risk management systems of the Company. The Board also reviews the performance of the external auditors and approves any proposed discharge of the external auditors when circumstances warrant. Additionally, with the direction of the Board, management has developed and implemented appropriate frameworks and effective processes for sound management of risk.

In line with the SA 05, the Company has adopted an Internal Control Procedure Manual ("Manual") on 28 February 2014, which has to be re-assessed on an annual basis. The Manual will be re-assessed at its next meeting.

The Board is ultimately responsible for the Company's system of internal control as well as implementation, maintenance and monitoring of the internal control in place. The Board confirms that it will continue to identify, evaluate and manage the various risks faced by the Company.

Day to day activities are undertaken by the Secretary, SANNE Mauritius ("SM"), which needs to ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place. Hence, the Company relies on the internal controls of SM which is subject to an internal control review and reporting by external auditors. On a yearly basis, an ISAE 3402 Type II Audit is conducted and the latest report was issued on 12 May 2020. Moreover, SM has a whistle blowing policy in place.

The Company has contracted a Directors & Officers Liability, Professional Indemnity & Crime Insurance cover for its directors and officers from the Mauritius Union Assurance Co Ltd. The insurance policy is renewable every year; the current insurance policy is valid up to 23 September 2022.

Principle 6: Reporting with Integrity

The directors are responsible for preparing financial statements of the Company that fairly present the statement of affairs and financial position of the Company on a regular basis in accordance with applicable law and regulations. Given the nature of its activities, the Company has no environmental or social or health and safety impact and these are therefore not assessed in the financial statements. Further, the Company has no corporate social responsibility policy in place and has not made any donation so far.

The financial statements have been prepared under the International Financial Reporting Standards, which is a generally accepted accounting principles.

The annual and quarterly interim financial statements are tabled for review and approval by the Board of Directors before filing with the Financial Services Commission within the statutory deadlines.

The directors make an assessment of the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

The Manual also describes the Company's culture, ethics and values.

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act and under International Financial Reporting Standards and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

INDIAREIT Investment Management Co.

CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principle 7: Audit

In line with the FSA 07, the financial statements of the Company are audited by KPMG Mauritius, appointed after prior approval of the FSC. KPMG Mauritius was re-appointed statutory auditors for the financial year ended 31 March 2022 at the shareholders' meeting held on 23 September 2021. The re-appointment of KPMG Mauritius will be considered at the next annual meeting of the Company.

An audit plan is prepared by SANNE Mauritius and agreed with the auditors for the audit of the financial statements.

The fees payable by the Company to KPMG for audit services for the financial year ended 31 March 2022 amount to USD 9,735, exclusive of VAT and disbursements. KPMG provides only audit services to the Company.

Due to the nature of activities of the Company, no audit committee has been set up and there is no internal audit function. The Board adheres to the principles of the Manual adopted by the Company.

Principle 8: Relations with Shareholders and other Key stakeholders

The Board is responsible for directing the affairs of the Company in the best interests of its shareholders, in conformity with the legal and regulatory frameworks and consistent with the Company's Constitution, best governance practices and in line with Mauritius Companies Act. Any queries raised by the shareholders/ stakeholders are attended to by the Secretary or the directors, as applicable.

The annual meeting of the shareholders of the Company will be held by 30 September 2022 to adopt the audited financial statements of the Company for the year ended 31 March 2022. Notice of this meeting will be sent within the deadline stipulated in the Constitution of the Company.

As at 31 March 2022, the stated capital of the Company comprised of 32,618 Ordinary shares of par value of USD1 each. The majority of Ordinary shares are held by Piramal Fund Management Private Limited, a company incorporated in India.

The Company has also issued 1,000 Carry C shares of USD 0.01 each to Limegrove Investments Ltd.

INDIAREIT Investment Management Co.
FOR THE YEAR ENDED 31 MARCH 2022

Directors' Statement of Compliance with National Code of Corporate Governance ("Code")

Throughout the year ended 31 March 2022, to the best of the Board's knowledge, the Company has complied with the Code and has applied all of the principles set out in the Code, where applicable and explained how these principles have been applied.

On behalf of the Board of Directors

Date: 24 May 2022

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **INDIAREIT Investment Management Co.** under the Mauritius Companies Act 2001, during the financial year ended 31 March 2022.

For SANNE Mauritius
Secretary

Registered Office

Sanne House
Bank Street
TwentyEight
Cybercity
Ebène 72201
Republic of Mauritius

Date: 24 May 2022

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDIAREIT INVESTMENT MANAGEMENT CO.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of INDIAREIT Investment Management Co. (the Company), which comprise the statement of financial position as at 31 March 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 43.

In our opinion, these financial statements give a true and fair view of the financial position of INDIAREIT Investment Management Co. as at 31 March 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Data, Commentary of the Directors, Corporate Governance Report, Directors' Statement of Compliance with National Code of Corporate Governance and Certificate from the Secretary, but does not include the financial statements and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDIAREIT INVESTMENT MANAGEMENT CO.

Report on the Audit of the Financial Statements

Other Information (continued)

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities 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 auditors' 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 ISAs 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDIAREIT INVESTMENT MANAGEMENT CO.

Report on the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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.

We communicate with the directors 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF INDIAREIT INVESTMENT MANAGEMENT CO.

Report on the Audit of the Financial Statements

Use of Our Report

This report is made solely to the Company's members as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's members as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Services Act Circular letter CL281021

Our responsibility under the Financial Services Act Circular letter CL281021 is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Company has complied with the requirements of the Code.

KPMG

KPMG
Ebène, Mauritius

Smith

Christo Smith
Licensed by FRC

Date: **25 May 2022**

INDIAREIT Investment Management Co.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-current assets			
Investments	10	-	-
Current assets			
Loan	8 (c)	8,600,000	8,600,000
Receivables and prepayments	11	736,650	483,550
Cash and cash equivalents	12	1,186,474	6,021,584
Total current assets		10,523,124	15,105,134
Total assets		10,523,124	15,105,134
EQUITY AND LIABILITIES			
Equity			
Stated capital	13 (a)	32,618	42,823
Retained earnings		10,444,833	15,014,487
Total equity		10,477,451	15,057,310
Current liabilities			
Payables	14	34,716	36,849
Carry shares	13 (b)	10	10
Tax payable	9 (iii)	10,947	10,965
Total current liabilities		45,673	47,824
Total equity and liabilities		10,523,124	15,105,134

These financial statements have been approved by the Board of Directors on 24 May 2022 and signed on its behalf by:

Director **Director**

The notes on pages 19 to 43 form an integral part of these financial statements.

INDIAREIT Investment Management Co.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 USD	2021 USD
INCOME			
Management fees	8 (a) - (b)	1,355,137	1,555,520
		1,355,137	1,555,520
EXPENDITURE			
Advisory fees	8 (e)	(72,500)	(72,500)
Consultancy fees	15 (i)	(25,000)	(29,167)
Legal and professional fees		(33,148)	(31,146)
Audit fees		(10,494)	(10,494)
Licence fees		(4,800)	(4,800)
Bank charges		(2,205)	(2,181)
Other expenses		(200)	-
Impairment of investment	10	-	(10,100)
Receivable written off		-	(25,845)
		(148,347)	(186,233)
FINANCE INCOME			
Interest on loan	8 (c)	258,000	235,852
		258,000	235,852
PROFIT BEFORE TAXATION		1,464,790	1,605,139
Taxation	9 (ii)	(44,109)	(49,233)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		1,420,681	1,555,906

The notes on pages 19 to 43 form an integral part of these financial statements.

INDIAREIT Investment Management Co.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Stated capital	Retained earnings	Total Equity
	USD	**USD**	**USD**
At 01 April 2021	**42,823**	**15,014,487**	**15,057,310**
Transactions with owners of the company			
- ***Buyback of shares***	**(10,205)**	**(5,990,335)**	**(6,000,540)**
Total comprehensive income for the year	**-**	**1,420,681**	**1,420,681**
At 31 March 2022	**32,618**	**10,444,833**	**10,477,451**
At 01 April 2020	42,823	13,458,581	13,501,404
Total comprehensive income for the year	-	1,555,906	1,555,906
At 31 March 2021	42,823	15,014,487	15,057,310

The notes on pages 19 to 43 form an integral part of these financial statements.

INDIAREIT Investment Management Co.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 USD	2021 USD
Cash flows from operating activities			
Profit before taxation		1,464,790	1,605,139
Adjustments for:			
Investment written off	10	-	10,100
Receivable from INDIAREIT Offshore Fund written off		-	25,845
Change in receivables and prepayments		4,900	50,189
Change in payables		(2,133)	(595)
Interest income	8 (c)	(258,000)	(235,852)
Cash generated from operating activities		1,209,557	1,454,826
Tax paid	9 (iii)	(44,127)	(51,165)
Net cash generated from operating activities		1,165,430	1,403,661
Cash flows from investing activities			
Loan granted	8 (c)	-	(8,600,000)
Proceeds from loan	8 (c)	-	8,500,000
Interest received	8 (c)	-	530,424
Net cash generated from investing activities		-	430,424
Cash flows from financing activities			
Buyback of shares	13 (c) (i)	(6,000,540)	(91)
Net cash used in financing activities		(6,000,540)	(91)
Net movement in cash and cash equivalents		(4,835,110)	1,833,994
Cash and cash equivalents at start of the year		6,021,584	4,187,590
Net movement in cash and cash equivalents		(4,835,110)	1,833,994
Cash and cash equivalents at end of the year		1,186,474	6,021,584
Cash and cash equivalents made up of:			
Cash at bank	12	1,186,474	6,021,584

The notes on pages 19 to 43 form an integral part of these financial statements.

1. GENERAL INFORMATION

INDIAREIT Investment Management Co., (the "Company"), was incorporated in the Republic of Mauritius as a private company under the Mauritius Companies Act 2001 on 12 September 2006 and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company is also licensed as a CIS Manager under the Securities Act 2005. The address of the Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebène 72201, Republic of Mauritius.

The Company's principal activity is fund management and its objective was to manage the operation of INDIAREIT Offshore Fund (the "Fund") which is a Closed-end Fund investing in equity, equity-related and debt instruments of unlisted investee companies engaged in real estate, property management, infrastructure and allied sectors in India, including but not limited to warehousing, port related logistics, special economic zones and industrial parks. The Fund is currently at the final stage of the winding up procedures.

The Company had previously extended its investment management services to Myddleton Holdings Limited and Stichting Depository APG Infrastructure Pool 2012 (see Note 8).

The financial statements of the Company are expressed in United States Dollar ("USD"). The Company's functional currency is USD, the currency of the primary economic environment in which it operates.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company for the year ended 31 March 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and in line with the requirements of the Mauritius Companies Act.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis using the going concern principle.

(c) Functional and presentation currency

These financial statements are presented in USD, which is the Company's functional currency. All financial information presented in USD has been rounded to the nearest dollar.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 6.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING THE YEAR

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021;
  (a subsequent amendment released in March 2021 has extended this date to 30 June 2022) and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:
- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The original version of the practical expedient was, and remains, optional. However, the subsequent amendment is, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendment would have to consistently apply the extension to similar rent concessions.

The subsequent amendment is applicable retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application of the subsequent amendment. Lessees may need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendment but becomes eligible as a result of the extension.

The amendments are effective for periods beginning on or after 1 June 2020 (the subsequent amendment is effective on or after 1 April 2021), with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

The Directors have assessed the impact of the adoption of the Covid-19 related rent concessions on the financial statements and consider that the amendments in IFRS 16 do not have any impact since the Company do not have any rent concession or leases for the year under review.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments)

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the profit or loss. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED DURING THE YEAR (CONTINUED)

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments) (Continued)

The following disclosures will also be necessary:

- the nature and extent of risks to which the company is exposed arising from financial instruments subject to IBOR reform and how it manages those risks; and
- the company's progress in completing its transition to alternative benchmark rates and how it is managing that transition.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

The Directors have assessed the impact of the amendments in the interest rate benchmark reform and is of the view that they do not have any impact on the Company's financial statements for the year under review.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on 01 April 2021 that have a material impact on the Company.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2022 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 percent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted. However, the Company does not expect significant change.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date.

However, the Company does not expect significant change to the classification of liabilities based on amendments to IAS 1.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. However, the Company does not expect any potential impact on the financial statements.

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)(Continued)

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023 but may be applied earlier. The Company does not expect any significant change in the disclosure of accounting policies.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities at fair value through profit and loss on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, the Company classifies financial assets as measured at: amortised cost or at FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

This category includes receivables, cash and cash equivalents and loan. All other financial assets are classified as measured at FVTPL.

Financial assets: Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This include whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated; e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment (Continued)

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, loan and receivables. These financial assets are held to collect contractual cash flows.
- Other business model: this includes equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent transactions taking place.

Assessment whether contractual cash flows are sole payments of principal and interest (SPPI):

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

As at reporting date, the Company classifies its financial assets into the following categories:

- Cash and cash equivalents: at amortised cost
- Loan: at amortised cost
- Receivables: at amortised cost
- Investment: FVTPL

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets – Subsequent measurement and gains and losses (Continued)

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, expense, foreign exchange gains and losses are recognised in profit or loss in 'net gains or losses on financial assets at fair value through profit or loss' in the statement of profit or loss and other comprehensive income.

Financial liabilities – classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost – payables and carry shares.

(iii) Impairment

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if its repayment terms has lapsed.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a financial asset to have low credit risk when the amount receivable is with related parties.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (Continued)

(iii) Impairment (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the underlying project is on hold; and
- breach of contract such as a default or being more than 90 days past due.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

(iv) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised, and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss and other comprehensive income. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (Continued)

(iv) Derecognition (continued)

Financial assets (continued)

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses. There is no offsetting of financial instrument applied as on reporting in the statement of financial position.

(vi) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company has elected to present the statement of cash flows using the indirect method.

(b) Equity

Stated capital are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as deduction from equity, net of tax effects.

(c) Revenue recognition

The Company recognises revenue primarily from management fees. Revenue is measured based on the consideration specified in a contract with customer. The Company recognises revenue when it transfers control over a service to a customer.

The five step model for revenue recognition is as follows:

- Identify the contract with customers;
- Identify the performance obligations in the contract;
- Determine the transaction price of the contract;
- Allocate the transaction price to each performance obligations in the contracts; and
- Recognise revenue as each performance obligation is satisfied.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition (Continued)

Management fees

Management fees, which are received from Myddleton Holdings Limited and Stitching Depositary APG Infrastructure Pool 2012 are calculated on the respective applicable percentage rates on accrual basis as per the Investment Manager agreements entered with the latter and as described in Note 8.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related accounting policies:

Type of service	Source of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms
Investment Management services	Management Fees	The Company has been appointed as Investment Manager of Myddleton Holdings Limited ("MHL") and Stitching Depositary APG Infrastructure Pool 2012 ("APG") on 15 August 2011 and 29 July 2014 respectively. The Company is required to provide investment management services to MHL and APG and is entitled to Management fees. Management fees are calculated on the respective applicable percentage rates on accrual basis as per the Investment Management Agreements entered into with MHL and APG. Management fees are payable quarterly in arrears. As the services are to be provided until such time that the agreements are terminated pursuant to the provisions of the Investment Management Agreements with MHL and APG, this implies that performance obligation is satisfied over time. The transaction price of the management fees is determined based on the terms as set out in the paragraph above (variable consideration), however, this is not constrained since it can easily be calculated. The Company determines that it can allocate the entire amount of management fees based on the terms set out above on a quarterly basis, because the management fees relate specifically to the service provided during each period. Therefore, revenue in the form of management fees is recognised over time.

Interest income

Interest income, which are received from Piramal Dutch IM HOLDCO B.V ("PDIH") are accounted for on an accruals basis, in accordance with the contractual provisions of the loan agreement entered with the latter and as described in Note 8.

(d) Expenses

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis and in accordance with the substance of relevant agreements.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) *Foreign currency translation*

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

(f) *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses.

(g) *Taxation*

Income tax comprises current tax and deferred tax. It is recognised in the profit or loss except to the extent it relates to items recognised directly in equity or other comprehensive income.

Current Tax

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustment to taxes for prior periods. Current tax payable also includes any tax liability arising from the declarationof dividends. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. Current tax and liabilities are offset only if certain criteria are met.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

Deferred Tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

6. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Judgements

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of authorisation of these financial statements.

Based on the assessment of the cash flows of the Company, the directors are of the view that sufficient cash flow would be available for operations of the Company for the foreseeable future.

Furthermore, the directors are not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimation uncertainty

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The Company's investments and transactions are denominated in USD. Management income and advisory expenses are also received and paid in USD. The Company's performance is evaluated, and its liquidity is managed in USD. The directors have considered those factors described therein and have determined that the functional currency of the Company is the US Dollar ("USD").

Fair valuation on investment

Information related to the determination of fair value of financial instruments with significant unobservable inputs for the year ended 31 March 2022 and 31 March 2021 is included in Note 7.3.

7. FINANCIAL RISK MANAGEMENT

7.1 Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

7.1 Risk management objectives and policies (Continued)

(a) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

(i) Currency risk

The Company's activities are carried out in USD and hence its exposure to adverse movement in exchange rates is limited.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial risk will fluctuate because of changes in market Interest rates.

The Company's exposure to interest rate risk is minimal and limited to its bank balance and loan to Piramal Dutch IM HOLDCO B.V. The interests thereon are based on market interest rates and are fixed respectively. The Company's income and operating cash flows are, however, independent of changes in market interest rates.

(iii) Price risk

Price risk is the risk that the value of an investment may fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or all factors affecting all instruments traded in the market. The Company does not invest in any quoted investments and hence not exposed to price risk.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, which arises principally from cash and cash equivalents, loan and receivables.

Exposure to credit risk

The Company is exposed to both issuer and counterparty credit risk. Issuer credit risk is the risk that the issuer of security will fail to meet all of its obligations. Similar to issuer credit risk, counterparty credit risk is the risk that an entity with which the Company has unsettled or open transaction may fail to or be unable to perform on its Commitments. The Company manages both types of credit risk by entering into transaction only with counterparties that it believes have the financial resources to honour their obligations and by monitoring the financial stability of those counterparties.

As at reporting date, the Company's financial assets exposed to credit risks are as follows:

	2022	2021
	USD	USD
ASSETS		
Receivables	**729,906**	476,806
Loan	**8,600,000**	8,600,000
Cash and cash equivalents	**1,186,474**	6,021,584
	10,516,380	15,098,390

Prepayments of **USD 6,744** (2021: USD 6,744) have not been included in the financial assets.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

7.1 Risk management objectives and policies (Continued)

(b) Credit risk (Continued)

Credit quality analysis

The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards. Credit risk is monitored in accordance with the Company's policies and procedures.

Cash and cash equivalents

Bank balances are held with HSBC Bank (Mauritius) Limited, a reputable financial institution with good sovereign credit ratings of A1 (2021: A1) as per Moody.

Receivables

The Company has interest receivable of **USD 393,715** from Piramal Dutch IM HOLDCO B.V. (2021: USD 135,715), management fees of **USD 311,191** (2021: USD 316,091) from Stichting Depositary APG Infrastructure Pool 2012 and management fees of **USD 25,000** (2021: USD 25,000) from Myddleton Holdings Ltd.

The risk is minimal from Piramal Dutch IM HOLDCO B.V. as it is due from a related party. For Stichting Depository APG Infrastructure Pool 2012 and Myddleton Holdings Ltd, the risk is minimal as the Company receives the management fees on a quarterly basis.

Loan

The Company has entered into a loan agreement with Piramal Dutch IM HOLDCO B.V., a company incorporated in Netherlands. Pursuant to the terms of the loan agreement, the Company has extended a loan of USD 8,600,000 to Piramal Dutch IM HOLDCO B.V. and charges an interest of 3% per annum on the outstanding loan amount, with effect from 21 September 2020.

After year end, the loan principal of USD 8,600,000 along with interest accrued of USD 396,532 was settled on 08 April 2022.

The risk is minimal as the amounts are due from related party. The Company assesses all its counterparties for credit risk before contracting with them.

Amounts arising from ECL

Impairment on cash and cash equivalents, loan and receivables from related parties has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that these exposures have low credit risk based on the external credit ratings of the counterparties and being related parties.

The Company monitors the changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has been reflected in the published ratings, the Company supplements this by reviewing available press and regulatory information about the counterparties.

12 months and lifetime probabilities of default are based on historical data and the liquid assets available as at reporting date. Where the counterparty has insufficient liquid assets, a probability of default linked to macro-economic factors of the country of the underlying project has been used for, or a probability of default of 100% is considered.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

7.1 Risk management objectives and policies (Continued)

(b) ***Credit risk (Continued)***

The Company has also considered the impact of Covid-19 on the cash and cash equivalents, loan and receivable and the ECL amount is considered to be not material.

During the year under review, the Company did not recognise any impairment allowance on cash and cash equivalents, loan and receivables. The amount of these loss allowances recognised in 2022 is USD Nil (2021: USD Nil) on cash and cash equivalents, loan and receivables.

(c) ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements. The Company manages its liquidity risk by ensuring the timely recovery of receivables.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The following are the contractual maturities of financial liabilities, including interest payments:

31 March 2022	Carrying amount	Contractual cash flows	Less than one year	On demand
	USD	USD	USD	USD
Carry shares	10	10	-	10
Payables	34,716	34,716	34,716	-

31 March 2021	Carrying amount	Contractual cash flows	Less than one year	On demand
	USD	USD	USD	USD
Carry shares	10	10	-	10
Payables	36,849	36,849	36,849	-

7.2 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to properly manage the capital structure, the Company may adjust the amount of dividends paid to its shareholders or issue new shares or buy back shares.

As per The Securities (Collective Investment Schemes and Closed-End Funds) Regulations 2008, the Company is required to maintain a minimum stated unimpaired capital of at least MUR1million (equivalent to USD 22,988.51 based on the MUR/USD rate of 43.50 on 31 March 2022). This requirement has been met for the financial year ended 31 March 2022.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

7.3 Classifications and fair values of financial assets and liabilities

Fair value

Investment is valued as described in Note 5. The Company's other financial assets and liabilities include cash and cash equivalents, receivables, loan, carry shares and payables which are realised or settled within a short-term period or on demand.

As at 31 March 2022, the carrying amounts of the following financial assets and financial liabilities shown on the statement of financial position represent or approximate their fair value.

	Carrying Amount USD	Fair value USD
At 31 March 2022		
Mandatorily at fair value through profit or loss:		
Investments	-	-
Financial assets at amortised cost:		
Receivables	**729,906**	**729,906**
Cash and cash equivalents	**1,186,474**	**1,186,474**
Loan	**8,600,000**	**8,600,000**
Financial liabilities at amortised cost:		
Carry shares	**10**	**10**
Payables	**34,716**	**34,716**

Prepayments of **USD 6,744** have not been included in the financial assets and tax payable of **USD 10,947** have not been included in financial liabilities.

	Carrying Amount USD	Fair value USD
At 31 March 2021		
Mandatorily at fair value through profit or loss:		
Investments	-	-
Financial assets at amortised cost:		
Receivables	476,806	476,806
Cash and cash equivalents	6,021,584	6,021,584
Loan	8,600,000	8,600,000
Financial liabilities at amortised cost:		
Carry shares	10	10
Payables	36,849	36,849

Prepayments of USD 6,744 have not been included in the financial assets and tax payable of USD 10,965 have not been included in financial liabilities.

Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

7.3 Classifications and fair values of financial assets and liabilities (Continued)

Fair value (Continued)

The investments in INDIAREIT Offshore Fund ("IOF") have been written off or fair valued at USD nil on account of the winding up of this entity, with no expected payout from the liquidator to the Company. IOF is currently under the final stage of the winding up procedures.

8. AGREEMENTS

(a) Management fees – Myddleton Holdings Limited

The Company had entered into an Investment Management Agreement dated 15 August 2011 with Myddleton Holdings Limited, a company incorporated in Gibraltar for the provision of investment management services.

Previously, the Company received management fees as follows:

- 2% per annum of the total invested amount.
- Each such fee would be apportioned in four equal instalments and be payable at the end of each quarter within seven business days of the relevant quarter date.
- The management fee payable for each quarter would take into account the disposal (or part disposal) of the Company's interest in any relevant investment as may have been made and accordingly, necessary adjustment would be made to the total invested amount for the quarter under consideration.

The Company had entered into an Amendment to Investment Management Agreement (the "Amendment Agreement") on 27 July 2018 with Myddleton Holdings Limited. Under the terms of the Amendment Agreement, the Company would receive an annual management fee of USD 100,000, effective as from 1 April 2018.

The management fees for the year under review amounted to **USD 100,000** (2021: USD 100,000).

(b) Management fees – Stitching Depositary APG Infrastructure Pool 2012 ("APG")

The Company had entered into an Investment Advisory and Management Agreement (the "Agreement") with APG dated 29 July 2014. As per the terms of the Agreement, the Company is entitled to a quarterly asset management fee calculated based on the average daily balance of the Net Equity Invested by APG from the beginning of the applicable Fiscal Year (or part thereof) to the end of the applicable fiscal quarter (or part thereof) less the amount of any Asset Management Fee payments previously made during such Fiscal Year.

The management fees for the year under review, pursuant to the terms of the Investment Advisory and Management Agreement amounted to **USD 1,255,137** (2021: USD 1,455,520).

(c) Loan

The Company has entered into a loan agreement with Piramal Dutch IM HOLDCO B.V. ("PDIH"), a company incorporated in Netherlands, on 21 September 2020. Pursuant to the terms of the loan agreement, the Company has extended a loan of **USD 8,600,000** to PDIH and charges an interest of 3% per annum on the outstanding loan amount, with effect from 21 September 2020. The loan is granted for a period of 12 months and will be automatically renewed for subsequent periods of one year unless either party has given one month's written notice to terminate the agreement to the other party and agrees to repay all sums drawn under the loan within 5 working days.

The interest income from PDIH for the year under review amounted to **USD 258,000** (2021: USD 135,715). Post year end, the loan was repaid on the loan principal of USD 8,600,000 along with interest accrued of USD 396,532 was settled on 8 April 2022.

During the prior year, the loan principal of USD 8,500,000 lent to PIRAMAL DUTCH HOLDINGS N.V along with accrued interest of USD 530,424 (Including the interest income generated during the prior year amounting to USD 100,137) was received in 2021.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. AGREEMENTS (CONTINUED)

(d) Administrator

SANNE Mauritius has been appointed to provide administration, registrar and secretarial functions and is entitled to a fee of USD 1,000 per month, exclusive of out-of- pocket expenses.

(e) Indian Advisor

The Company has entered into an Advisory Services Agreement (the "Agreement") with Piramal Fund Management Private Limited (formerly known as INDIAREIT Fund Advisors Private Limited) (the "Indian Advisor"), a company incorporated in India, on 26 September 2006. Pursuant to the Agreement, the Company has appointed the Indian Advisor as its Investment Advisor for the provision of non-binding investment advisory services.

The Company has entered into a third Advisory Services Agreement (the "Agreement 3") with the Indian Advisor on 15 August 2011. Pursuant to the Agreement 3, the Company has appointed the Indian Advisor as its Investment Advisor to assist it in providing certain management services to Myddleton Holdings Limited. The Company and the Indian Advisor had agreed that 0.3% of the assets under management attributable to the Portfolio (as such term has been defined and understood in the Investment Management Agreement dated 15 August 2011 vide which the Company has been retained to provide certain management services to Myddleton Holdings Limited) would be paid as advisory fee by the Company to the Indian Advisor. The aforesaid advisory fee is paid to the Indian Advisor by the Company at the end of each quarter.

The advisory fees incurred by the Company for the year for Myddleton Holdings Limited is **USD 67,500** (2021: USD 67,500).

The Company also entered into a Sub-Advisory and Servicing Agreement with Piramal Investment Advisory Services Private Limited ("Piramal Advisory") on 29 July 2014 for the provision of non- binding investment advisory services to the Company in respect to Stitching Depository APG Infrastructure Pool 2012's ("APG") mandate. An amount of **USD 5,000** (2021: USD 5,000) has been incurred as Advisory fees by the Company in respect of APG for the year under review.

9. TAXATION

(i) Income tax

The Company holds a Category 1 Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to interest income and foreign source dividends, subject to meeting certain conditions, which includes:

a) The Company carries out its core income generating activities in Mauritius;

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. TAXATION (CONTINUED)

(i) Income tax (Continued)

b) The Company employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and

c) The Company incurs a minimum expenditure proportionate to its level of activities.

The Company will also need to demonstrate that its central management and control is in Mauritius.

The Company is subject to the Advance Payment Scheme ("APS") under Section 50B and 50C of the Mauritius Income Tax Act 1995 whereby it is required, unless certain conditions are met, to submit an APS statement and pay tax quarterly on the basis of either last year's income or the income for the current quarter.

(ii) Statement of profit or loss and other comprehensive income

	2022	2021
	USD	USD
Income tax on taxable profit	**44,109**	49,233

(iii) Statement of financial position – Tax payable

	2022	2021
	USD	USD
At 01 April	**10,965**	12,897
Tax paid	**(10,964)**	(12,897)
Taxation charge for the year	**44,109**	49,233
Tax paid under APS	**(33,163)**	(38,268)
At 31 March	**10,947**	10,965

(iv) Deferred taxation

The Company had no deferred tax asset/liability at 31 March 2022 (2021: Nil).

(v) Income tax reconciliation

The tax charge of the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of 15% as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. TAXATION (CONTINUED)

(v) Income tax reconciliation (Continued)

	2022	2021
	USD	USD
Profit before taxation	**1,464,790**	1,605,139
Tax calculated at 15%	**219,719**	240,771
Exempt income (Management fees and interest on loan)	**(144,689)**	-
Disallowed expenses (Impairment of investment and receivable written off)	**13,764**	5,392
Deemed tax credit (80%)	**(44,685)**	(196,930)
Tax charge	**44,109**	49,233

10. INVESTMENTS

	2022	2021
	USD	USD
At 01 April	-	10,100
Investment written off (Note 10 (i))	-	(10,100)
At 31 March	-	-

The investments consist of unquoted shares and are classified as financial assets at fair value through profit or loss.

(i) The Company had invested in 100 management shares of USD 1 each in INDIAREIT Offshore Fund ("IOF"), a company incorporated in the Republic of Mauritius. IOF operates as a Closed-End Fund and invests in equity of investee companies, which primarily operate in the real estate sector in the Republic of India. In 2022, the Company no longer has the investment since the investee is currently at the final stage of liquidation. The Company had approved the winding up of INDIAREIT Offshore Fund in accordance with the Insolvency Act 2009, effective from 31 December 2019. The Company does not expect any return as distribution on liquidation of INDIAREIT Offshore Fund and accordingly investment has been written off.

(ii) In 2012, the Company had invested in 1,000,000 Class B Redeemable Participating shares of INDIAREIT Offshore Fund, at a nominal value of USD 0.01 each. The holder of these shares will have the right to vote only on matters affecting their rights and be entitled to receive distribution. The Company does not expect any return as distribution on liquidation of INDIAREIT Offshore Fund and accordingly investment has been written off.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
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11. RECEIVABLES AND PREPAYMENTS

	2022	2021
	USD	USD
Prepayments	6,744	6,744
Other receivables	729,906	476,806
	736,650	483,550

Other receivables consist of interest receivable of **USD 393,715** from Piramal Dutch IM HOLDCO B.V. (2021: USD 135,715) and management fees of **USD 336,191** (2021: USD 341,091)

12. CASH AND CASH EQUIVALENTS

	2022	2021
	USD	USD
Cash at bank	1,186,474	6,021,584

13. STATED CAPITAL AND CARRY SHARES

(a) Stated capital

	2022	2021
Ordinary shares of USD 1 each:	USD	USD
At 01 April	42,823	42,823
Buyback of shares during the year (see Note 13 (c)(i))	(10,205)	-
At 31 March	32,618	42,823

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. STATED CAPITAL AND CARRY SHARES (CONTINUED)

(b) Carry shares

	2022	2021
	USD	USD
At 1 April	10	101
Redemption during the year (see Note 13 (c) (ii))	-	(91)
At 31 March	10	10

(c) Types of shares

The Constitution of the Company provides for the following types of shares:

(i) Ordinary shares

The Company had 42,823 ordinary shares having USD 1.00 par value each at the start of the year under review. The Company effected a buyback of 10,205 Ordinary shares at USD 588 each for a total consideration of **USD 6,000,540**. Post the buyback, the Company has 32,618 ordinary shares in issue which have the following rights:

The shares shall have voting rights on any matters to be considered by the shareholders generally and shall be entitled to receive distribution and distribution on winding up of the Company as set out in Article 24 and 26 respectively of the Constitution. The Ordinary shares shall be non- redeemable.

(ii) Carry shares

The Company has 1,000 Carry C shares of par value of USD 0.01 each in issue, which have the following rights:

The shares shall have voting rights on matters to be considered by holders of these class of shares only. The carry shares shall be entitled to receive distribution as set out in Article 24 of the Constitution and on winding up, the right to share in the assets of its portfolio available for distribution in accordance with Article 26 of the Constitution. The shares are redeemable at the option of the Company.

The Carry C shares are for the purpose of distributing performance fees received from Myddleton Holdings Limited.

14. PAYABLES

	2022	2021
	USD	USD
Consultancy fees	1,250	2,600
Other accruals	33,466	34,249
	34,716	36,849

The carrying amount of the payables is a reasonable approximation of the fair values and is unsecured, interest free and has no fixed terms of repayment.

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
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15. RELATED PARTY TRANSACTIONS

During the years ended 31 March 2022 and 31 March 2021, the Company had transactions with its related parties. The nature, volume of transactions and balance with the related parties are as follows:

Related Party	Nature of Relationship	Nature of transactions	Volume of transactions during the year	Receivables as at 31 March 2022	Payables as at 31 March 2022
			USD	USD	USD
SANNE Mauritius	Administrator and Secretary	Administrative Fees, Director Fees, MLRO Fees, Tax Filing Fees and Professional fees	22,823	-	(2,000)
Piramal Fund Management Private Limited	Advisor	Advisory fees	67,500	-	(16,875)
Piramal Investment Advisory Services Private Limited	Advisor	Sub Advisory fees	5,000	-	(1,250)
Piramal Dutch IM HOLDCO B.V.	Affiliate	Interest on Loan	258,000	393,715	-
Piramal Dutch IM HOLDCO B.V.	Affiliate	Loan	8,600,000	8,600,000	-
Latika Monga	Director	Consultancy fees	25,000	-	(1,250)

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. RELATED PARTY TRANSACTIONS (CONTINUED)

Related Party	Nature of Relationship	Nature of transactions	Volume of transactions during the year	Receivables as at 31 March 2021	Payables as at 31 March 2021
			USD	USD	USD
INDIAREIT Offshore Fund	Investee Company	Short-term advances	25,845	-	-
SANNE Mauritius	Administrator and Secretary	Administrative Fees, Director Fees, MLRO Fees, Tax Filing Fees and Professional fees	21,900	-	(5,700)
Piramal Fund Management Private Limited	Advisor	Advisory fees	67,500	-	(16,875)
Piramal Investment Advisory Services Private Limited	Advisor	Sub Advisory fees	5,000	-	(1,250)
PIRAMAL DUTCH HOLDINGS N.V	Affiliate	Loan	8,500,000	-	-
PIRAMAL DUTCH HOLDINGS N.V	Affiliate	Interest on Loan	100,137	-	-
Piramal Dutch IM HOLDCO B.V	Affiliate	Loan	8,600,000	8,600,000	-
Piramal Duch IM HOLDCO B.V.	Affiliate	Interest on Loan	135,715	135,715	-
Latika Monga	Director	Consultancy fees	29,167	-	(2,600)

The management fees are receivable in accordance with contractual terms and are fully described in Note 8 (a) – (b).

The advisory fees are payable in accordance with contractual terms and are fully described in Note 8 (e).

The terms of the loan to Piramal Dutch IM HOLDCO B.V. are detailed in Note 8 (c).

(i) Consultancy fees

During the year, the Consultancy fee has been revised from USD 50,000 per annum to USD 25,000 per annum. Consultancy fees paid to a director during the year who is also a joint shareholder amounted to **USD 25,000** (2021: USD 29,167).

INDIAREIT Investment Management Co.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. GOING CONCERN AND IMPACT OF COVID-19

On March 11, 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Many governments have taken increasingly stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking down" cities/regions or even entire countries. There has also been a significant increase in economic uncertainty, evidenced by more volatile asset prices and currency exchange rates, and a significant decline in long-term interest rates in developed economies.

COVID-19 has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. The directors are of the view that sufficient cash flow would be available from its investment management services given the contractual arrangements in place.

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of authorisation of these financial statements.

Based on the assessment of the cash flows of the Company, the directors are of the view that sufficient cash flow would be available for operations of the Company for the foreseeable future.

Furthermore, the directors are not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

17. SUBSEQUENT EVENTS

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Ash Stevens LLC

Financial Statements
December 31, 2021, and December 31, 2020

KNAV P.A.

Certified Public Accountants
One Lakeside Commons Suite 850
990 Hammond Drive NE Atlanta GA 30328

America Counts on CPAs

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Independent auditor's report

To the Member,
Ash Stevens LLC

Opinion

We have audited the financial statements of Ash Stevens LLC which comprise the balance sheets as of December 31, 2021, and December 31, 2020, and the related statements of income, member's equity and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as of December 31, 2021, and December 31, 2020, and the result of its operations, member's equity and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 03, 2022

Financial statements

Balance sheets

(All amounts are stated in United States Dollars, unless otherwise stated)

	Note	As at December 31, 2021	As at December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	C	1,471,818	4,676,022
Accounts receivable, net	D	4,650,865	5,101,452
Inventories, net	E	6,606,126	4,400,981
Loan to related parties	G	16,354,018	11,872,339
Due from related parties, net	R	6,375,729	3,502,614
Other current assets	F	1,296,463	997,574
Total current assets		**36,755,019**	**30,550,982**
Property, plant and equipment, net	H	34,310,186	27,059,230
Goodwill		7,674,675	7,674,675
Intangible assets, net	I	8,339,881	8,830,021
Total assets		**87,079,761**	**74,114,908**
LIABILITIES AND MEMBER'S EQUITY			
Current liabilities			
Accounts payable	J	4,558,196	1,407,061
Deferred revenue		4,151,581	3,129,522
Other current liabilities	K	2,971,486	2,815,791
Due to related parties, net	R	704,590	41,866
Total current liabilities		**12,385,853**	**7,394,240**
Member's equity			
Member's equity		44,790,630	44,790,630
Accumulated surplus		29,903,278	21,930,038
Total member's equity		**74,693,908**	**66,720,668**
Total liabilities and member's equity		**87,079,761**	**74,114,908**

(The accompanying notes are an integral part of these financial statements)

Statements of income

(All amounts are stated in United States Dollars, unless otherwise stated)	Note	For the year ended December 31, 2021	December 31, 2020
Operating revenues	M	45,669,499	42,764,202
Other operating revenues	M, R	8,025,606	4,356,935
Less: cost of revenues (excluding depreciation and amortization)		(30,503,227)	(26,133,801)
Gross profit		**23,191,878**	**20,987,336**
Cost and expenses			
Selling, general and administrative expenses		12,584,426	9,000,606
Depreciation and amortization	H, I	3,411,586	3,096,815
Total cost and expenses		**15,996,014**	**12,097,421**
Operating income		**7,195,864**	**8,889,915**
Other income		777,376	566,989
Net income		**7,973,240**	**9,456,904**

(The accompanying notes are an integral part of these financial statements)

Statements of member's equity

For the years ended December 31, 2021, and December 31, 2020
(All amounts are stated in United States Dollars, unless otherwise stated)

Particulars	Member's equity	Accumulated surplus	Total member's equity
Balance as on January 01, 2020	**44,790,630**	**12,473,134**	**57,263,764**
Net income for the year	-	9,456,904	9,456,904
Balance as on December 31, 2020	**44,790,630**	**21,930,038**	**66,720,668**
Balance as on January 01, 2021	**44,790,630**	**21,930,038**	**66,720,668**
Net income for the year	-	7,973,240	7,973,240
Balance as on December 31, 2021	**44,790,630**	**29,903,278**	**74,693,908**

(The accompanying notes are an integral part of these financial statements)

Statements of cash flows

(All amounts are stated in United States Dollars, unless otherwise stated)	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash flows from operating activities		
Net income	7,973,240	9,456,904
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,411,586	3,096,815
Provision for slow moving and obsolete items	595,037	151,469
Provision for bad debts	-	1,000
Loss on sale of assets	-	16,992
Changes in net operating assets and liabilities		
Accounts receivable	450,586	927,864
Inventories	(2,800,183)	(1,188,128)
Other current assets	(298,888)	308,409
Accounts payable	3,151,135	(1,796,964)
Due from related parties	(2,873,114)	(3,142,460)
Due to related parties	662,724	8,579
Deferred revenue	1,022,059	(1,720,798)
Other current liabilities	155,695	1,227,385
Net cash provided by operating activities	**11,449,877**	**7,347,067**
Cash flows from investing activities		
Purchase of property, plant, and equipment	(10,172,402)	(2,835,136)
Loan advanced to related parties	(6,781,679)	(6,982,450)
Loan repaid by related party	2,300,000	750,000
Net cash used in investing activities	**(14,654,081)**	**(9,067,586)**
Net decrease in cash and cash equivalents	**(3,204,204)**	**(1,720,519)**
Cash and cash equivalents at the beginning of the year	4,676,022	6,396,541
Cash and cash equivalents at the end of the year	**1,471,818**	**4,676,022**

Supplemental cash flow information		
Interest received	200,000	-
Income taxes paid on behalf of group entity	24,697	-

(The accompanying notes are an integral part of these financial statements)

Notes to financial statements

(All amounts are stated in United States Dollars, unless otherwise stated)

NOTE A - NATURE OF OPERATIONS

Ash Stevens LLC (the "Company") is a full-service pharmaceutical contract development and manufacturing organization (CDMO) with over five decades of experience developing drug substances and manufacturing active pharmaceutical ingredients (APIs). It also provides research and development services to various drug manufacturers including government agencies. The Company was founded in 1962 and is incorporated in the state of Delaware as a Limited Liability Company (LLC). The Company operates from its facility in Riverview, Michigan.

On August 31, 2016, PEL Pharma Inc. (PEL Pharma), a subsidiary of Piramal Enterprises Limited, acquired all the issued and outstanding membership interest of the Company.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America. The significant accounting policies are detailed below:

1. *Basis of preparation*

   a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') to reflect the financial position, results of operations and cash flows of the Company. These financial statements have been prepared after considering the push down effect of value adjustments arising out of the acquisition of the Company by PEL Pharma Inc.

   b. The financial statements are presented for the years ended December 31, 2021, and December 31, 2020.

2. *Use of estimates*

   The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for determination of useful lives for property, plant & equipment and intangible assets, and long-lived assets for impairment, revenue recognition, provision for doubtful debts and inventory valuation at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

3. *Cash and cash equivalents*

Cash equivalents consist of highly liquid investments with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

4. *Revenue recognition*

The Company adopted Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Revenue is recognized upon transfer of control of products or services promised to customers in an amount that reflects the consideration the Company expects to receive in exchange for these products or services. Please refer to Note M, "Revenue from Contracts with Customers" for further information.

The Company derives revenue from contract manufacturing services provided under customer contracts, which we have disaggregated into the following revenue streams:

i. Manufacturing revenue

The manufacturing revenue stream represents revenue from the manufacturing of active pharmaceutical ingredients (API) for customer products – The APIs are manufactured for customer products which are commercial as well as in the development stage.

Under a manufacturing contract involving API for commercial customer product, the product is manufactured according to the customer's specifications and typically only one performance obligation is included. The product(s) are manufactured exclusively for a specific customer and have no alternative use. Revenues from contract manufacturing arrangements are recognized at a point in time when the relevant performance obligation is satisfied, and the Company is entitled to payment.

Under a manufacturing contract involving API for customer product in development stage, the customer owns the product details and process, which has no alternative use. These projects are customized to each customer to meet their specifications and typically involve contract milestones. Each contract milestone represents a distinct service that is sold separately and has stand-alone value to the customer. The transaction price is allocated to separate performance obligations based on relative standalone selling prices and is measured based on expected value transferred to a customer. Revenue is recognized when performance obligation is satisfied at a point of time, upon completion of contract milestone.

ii. Service revenue

The service revenue stream represents revenue from non-manufacturing related services associated with the custom development of a customer's product. These projects are customized to each customer to meet their specifications and typically involve contract milestones which are generally fixed price contracts. Each process or contract milestone represents a distinct service that is sold separately and has stand-alone value to the customer Revenue is recognized when performance obligation is satisfied at a point of time and control is transferred to the customer, upon completion of contract milestone.

Revenue from time and material-based contract milestones are recognized over time based on number of hours spent on the related services performed applying the contracted rates.

iii. Marketing services

Marketing service revenue stream represents revenue earned by entering into a marketing service agreement to provide sales and marketing assistance to various affiliates of the Piramal Enterprises Limited Group for business development and promotion. It includes assistance in preparation of proposals to existing and prospective customers, develop sales, marketing and pricing strategies for its affiliates, preparation of annual sales budget and analyze contracts entered by its affiliate on a periodic basis and sharing recommendations for negotiating favorable terms from time to time. As part of the arrangement, the Company charges a markup-percentage of its service costs including commissions or other compensation of related employees and other marketing and business development costs incurred in providing these services. Revenue from marketing services is recognized over time based on the actual cost incurred in providing those services.

Contract balances
The timing of revenue recognition, billings and cash collections results in billed trade receivables, contract assets (unbilled receivables) and contract liabilities (deferred revenue). Contract assets are recorded when the right to consideration is conditioned on something other than the passage of time. Contract assets are reclassified to trade receivables on the balance sheet when the rights become unconditional. Contract liabilities represent customer deposits and deferred revenue billed and/or received in advance of fulfilment of performance obligations. Contract liabilities will convert to contract manufacturing revenue as the Company performs obligations under the contract.

Practical expedients and contract costs
The Company applies the practical expedient available under ASC 606 that permits not to disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. In addition, there are no unsatisfied performance obligations for contracts greater than one year. Costs incurred to obtain or fulfill a contract are not material.

5. *Shipping and handling costs*

Shipping and handling costs incurred by the Company to transport products to customers are included in cost of revenues.

6. *Accounts receivable and allowance for doubtful debts*

Accounts receivables are stated at the amount billed to customers. The Company follows the specific identification method for recognizing allowance for doubtful debts. The management analyzes composition of the accounts receivable aging, historical bad debts, current economic trends, internal assessments of credit quality and the economic conditions in the industry, as well as in the economy as a whole and customer credit worthiness of each account receivable when evaluating the adequacy of the allowance for doubtful accounts. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. The Company charges off uncollectable amounts against the reserve in the period in which it determines they are uncollectable. Allowance for doubtful debts is included in selling, general and administrative expenses in the statement of income.

7. *Inventories*

Inventories are stated at cost or net realizable value whichever is lower. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and finished goods is determined using the weighted moving average method. Net realizable value is the estimated selling price less applicable selling expenses. The Company writes-down obsolete or otherwise unmarketable inventory to its estimated realizable value.

8. *Property, plant, and equipment*
Property, plant, and equipment acquisitions are stated at cost less accumulated depreciation and impairment. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method, including capital lease assets which are depreciated over the terms of their respective leases. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations. The estimated useful life used to determine depreciation is:

Buildings and building improvements	5 - 33 years
Furniture and fixtures	5 - 8 years
Office equipment	1 - 6 years
Computers and computer software	1 - 3 years
Laboratories and processing equipment	5 - 15 years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each balance sheet date and the cost of property, plant, and equipment not ready for use before such date are disclosed under construction-in-progress.

9. *Business combinations, goodwill, and other intangibles*
In accordance with Accounting Standard Codification ("ASC 805"), "Business Combinations", the Company uses the purchase method of accounting for all business combinations. Intangible assets acquired in a business combination are recognized and reported apart from goodwill if they meet the criteria specified in ASC 805. Any purchase price allocated to an assembled workforce is not accounted separately.

Effective January 1, 2017, the Company prospectively adopted the provisions of Financial Accounting Standards Board ("FASB") issued ASU 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). ASU 2017-04 eliminates the second step of the goodwill impairment test. For goodwill impairment tests occurring after January 1, 2017, if the carrying value of a reporting unit exceeds its fair value, the Company will measure any goodwill impairment losses as the amount by which the carrying amount of a reporting unit exceeds its fair value, not to exceed the total amount of goodwill allocated to that reporting unit.

The Company amortizes intangible assets over their estimated useful lives unless such lives are determined to be indefinite. Amortizable intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. Intangible assets with indefinite lives are tested at least annually for impairment and written down to the fair value as required. The estimated useful lives of the amortizable intangible assets are as follows:

Trademarks	Indefinite life
Customer relationships	13 years

The Company has considered the "push down effect" of fair value adjustments and presented the goodwill and intangible assets identified at acquisition.

10. *Impairment of long-lived assets*
    The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

11. *Operating leases*
    <u>As lessee</u>
    Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

12. *Income taxes*
    As a single member LLC, the Company is treated as a disregarded entity for federal and state income tax purposes. Generally, the income of an LLC is not subject to income tax at the entity level, but rather the members are required to include a pro-rata share of the entity's taxable income or loss in their business or personal income tax returns, irrespective of whether dividends have been paid. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

13. *Commitments and contingencies*
    Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

14. *Fair value measurements and financial instruments*
    Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

    - Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
    - Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
    - Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

    This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The estimated fair value of cash, accounts receivable, related party loans, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

15. *Recently issued accounting standards not yet adopted*
    In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires a lessee to recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-to-use asset

representing its right to use the underlying asset for the lease term. This ASU is effective for private companies' fiscal years beginning after December 15, 2021, with early adoption permitted. The Company expects to adopt ASU 2016-02 beginning January 01, 2022 and is currently evaluating the impact on the Company's financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The new guidance applies to all financial instruments carried at amortized cost (including loans held for investment (HFI) and held-to-maturity (HTM) debt securities, as well as trade receivables and receivables that relate to repurchase agreements and securities lending agreements), a lessor's net investments in leases, and off-balance-sheet credit exposures not accounted for as insurance or as derivatives, including loan commitments, standby letters of credit, and financial guarantees. The guidance is effective for annual periods beginning after December 15, 2022. Early adoption is permitted. The Company is currently assessing the impact of the adoption of this guidance on its financial statements and disclosures.

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Balances in bank accounts	1,471,818	4,676,022
Total	**1,471,818**	**4,676,022**

Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of $250,000 (December 31, 2020: $250,000) per financial institution per depositor at each financial institution, and the Company's non-interest-bearing cash balances may exceed federal insured limits.

NOTE D - ACCOUNTS RECEIVABLE, NET

Accounts receivable as of December 31, 2021, and December 31, 2020, are stated net of provision for doubtful receivables and other allowances. The Company maintains an allowance for doubtful debts on all accounts receivable, based on present and prospective financial condition of the customer and aging of accounts receivable after considering historical experience and the current economic environment.

	As at	
	December 31, 2021	**December 31, 2020**
Accounts receivable	4,672,440	5,123,027
Less: Allowance for doubtful debts	(21,575)	(21,575)
Accounts receivable, net of allowances	**4,650,865**	**5,101,452**

The movement in provision for doubtful debts during the year was as follows:

	For the year ended	
	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	**21,575**	**20,575**
Add: Allowances during the year	-	1,000
Less: Written off during the year	-	-
Balance at the end of the year	**21,575**	**21,575**

NOTE E - INVENTORIES, NET

Major classes of inventory include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Raw materials	6,307,379	3,818,764
Work-in-progress	456,676	831,444
Finished goods	683,276	5,766
Spares and consumables stock	187,816	178,991
Less: provision for slow moving and obsolete items	(1,029,021)	(433,984)
Total	**6,606,126**	**4,400,981**

The activity in provision for obsolete and slow-moving items is given below:

	For the year ended	
	December 31, 2021	**December 31, 2020**
Balance at beginning of the year	**433,984**	**282,515**
Provision for obsolete and slow moving	595,037	151,469
Balance at the end of the year	**1,029,021**	**433,984**

NOTE F - OTHER CURRENT ASSETS

Other current assets include the following:

	As at	
	December 31, 2021	**December 31, 2020**
Prepaid expenses	678,150	555,249
Advance to vendor	618,063	414,971
Deposits	250	27,354
Total	**1,296,463**	**997,574**

NOTE G - LOAN TO RELATED PARTIES

	As at	
	December 31, 2021	**December 31, 2020**
Loan to PEL Pharma Inc.	11,353,265	10,072,339
Loan to PEL Healthcare LLC	2,500,753	-
Loan to Piramal Pharma Solutions Inc.	2,500,000	1,800,000
Total	**16,354,018**	**11,872,339**

During the current year, the Company provided additional loan of $ 1,280,926 to PEL Pharma Inc. The interest rate during the year ended December 31, 2021, was 5.50% (December 31, 2020 – 5.00%) and the interest income during the year was $ 583,286 (December 31, 2020: $ 496,491). The outstanding interest as of December 31, 2021, was $ 1,270,457 (December 31, 2020: $ 687,172).

During the current year, the Company advanced loan to PEL Healthcare LLC of $ 2,500,753. The interest rate during the year ended December 31, 2021, was 6.00% and the interest income during the year was $ 61,962. The outstanding interest as at December 31, 2021 was $61,962.

The Company had receivable from Piramal Pharma Solutions Inc. for the year ended December 31, 2021, $ 2,500,000 (December 31, 2020: $1,800,000). During current year the additional loan given was $ 3,000,000 and repayment made during the year was $ 2,300,000. The interest rate during the year ended December 31, 2021, was 5.50% (December 31, 2020 – 5.50%) and the interest income during the year was $ 90,200 (December 31, 2020: $ 70,498). The outstanding interest as at December 31, 2021 was $ 58,229 (December 31, 2020: $ 168,029).

NOTE H - PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment includes the following:

	As at	
	December 31, 2021	**December 31, 2020**
Freehold land	1,052,000	1,052,000
Building and building improvements	9,907,370	9,907,370
Laboratory and processing equipment	24,671,900	23,336,245
Furniture and fixtures	358,922	275,254
Office equipment	92,319	80,165
Computers and software	907,563	790,413
Less: accumulated depreciation	(13,941,592)	(11,022,457)
Property, plant, and equipment	**23,048,482**	**24,418,990**
Construction-in-progress	11,261,704	2,640,240
Property, plant and equipment, net	**34,310,186**	**27,059,230**

Depreciation expense for the year ended December 31, 2021, is $2,921,446 and for the year ended December 31, 2020, is $2,606,675.

NOTE I - INTANGIBLE ASSETS, NET

	As at	
	December 31, 2021	**December 31, 2020**
Trademarks	4,501,724	4,501,724
Customer relationships	6,460,419	6,460,419
Less: accumulated amortization	(2,622,262)	(2,132,122)
Customer relationship, net	**3,838,157**	**4,328,297**
Net intangible assets	**8,339,881**	**8,830,021**

The estimated amortization schedule for customer relationships is set out below:

Year ending December 31,	**Amount**
2022	490,140
2023	490,140
2024	490,140

2025 and later	2,367,737

Amortization expense for the year ended December 31, 2021, is $ 490,140 (December 31, 2020 - $490,140)

NOTE J - ACCOUNTS PAYABLE

Accounts payable comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Trade payables	4,551,055	1,285,949
Capital creditors	7,141	121,112
Total	**4,558,196**	**1,407,061**

NOTE K - OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	December 31, 2021	**December 31, 2020**
Accrued expenses	2,971,486	2,815,791
Total	**2,971,486**	**2,815,791**

NOTE L - LINE OF CREDIT

On October 07, 2021, the Company along with its Parent company and other affiliates (the "borrowers") entered into an uncommitted discretionary revolving line of credit with HSBC Bank up to an aggregate amount of $10 million to be used solely for working capital. The Facility is secured by a first priority of secured interest and a lien on accounts receivable and inventory of the borrowers. The facility is payable on demand and carries an interest rate of LIBOR plus 2% p.a. As on December 31, 2021, the Company has not utilized this facility.

NOTE M - REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

	Year ended	
	December 31, 2021	**December 31, 2020**
Type of goods or services		
Manufacturing revenue	33,161,187	29,286,944
Service revenue	12,508,312	13,477,258
Marketing services	8,025,606	4,356,935
Total	**53,695,105**	**47,121,137**
Timing of revenue recognition		
Services transferred over time	5,302,854	5,650,617
Goods and services transferred at a time	48,392,251	41,470,520
Total	**53,695,105**	**47,121,137**

NOTE N - COMMITMENTS AND CONTINGENCIES

As of December 31, 2021, the Company had a capital commitment to spend $ 29,340,122 under agreement for capital expenditure type purchase orders placed largely towards the ongoing "GMP PRIME" project for expansion of engineering facilities.

NOTE O - OPERATING LEASES

The Company has obtained office equipment and a warehouse on lease. As of December 31, 2021, future rental for commitments for the non-cancelable leases are as follows:

Year ending December 31,	Equipment and others
2022	24,598
2023	10,498
2024	5,249

NOTE P - INCOME TAXES

The Company is a disregarded entity for federal and state tax purpose having a single member namely PEL Pharma Inc. as of December 31, 2021, and December 31, 2020. Generally, the income of a disregarded entity is not subject to income tax at the entity level, but rather the income will flow, and tax will be attracted to the single member while filing its income tax return. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

NOTE Q - EMPLOYEE BENEFIT PLANS

The Company has an employees' savings plan which qualifies under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to make voluntary contributions based on a specific percentage of compensation which may not exceed limitations under the Internal Revenue Code.

The Company has a discretionary matching contribution of 100% up to 6% of compensation. The total expense for employee retirement contribution plans for the year ended December 31, 2021, was $849,650 (December 31, 2020 – $ 737,240). The amounts have been included in selling, general and administrative expenses.

NOTE R - RELATED PARTY TRANSACTIONS

A. Ultimate parent company

1. Piramal Enterprises Limited, India

B. Parent company

1. PEL Pharma Inc. (100% membership interest holder)

C. Other related parties where common control exists

1. Piramal Pharma Solutions Inc. (affiliate company)
2. Piramal Healthcare Inc. (affiliate company)
3. Piramal Pharma Inc. (affiliate company)
4. Piramal Critical Care Inc. (affiliate company)
5. Piramal Healthcare Canada Limited (affiliate company)

6. Piramal Healthcare UK Limited (affiliate company)
7. Piramal Glass Limited (affiliate company)
8. Piramal Corporate Services Pvt Ltd (affiliate company)
9. Piramal Pharma Limited (affiliate company)
10. PEL Healthcare LLC (affiliate company)

Transactions during the year and due to related parties	As at December 31, 2021	As at December 31, 2020
Piramal Corporate Services Pvt Ltd		
Royalty expense	286,797	27,712
Balance payable at the end of the year	198,210	27,712
Piramal Critical Care Inc.		
Expense incurred on behalf of the Company	708,376	49,188
Balance payable at end of the year	231,361	-
Piramal Enterprises Limited		
Expense incurred on behalf of the Company	43,522	-
Balance payable at end of the year	18,355	-
Piramal Healthcare Canada Ltd		
Expense incurred on behalf of the Company	96,626	-
Balance payable at end of the year	6,090	-
Piramal Pharma Ltd		
Expense incurred on behalf of the Company	128,161	-
Balance payable at end of the year	128,161	-
Piramal Pharma Ltd – Ennore facility		
Expense incurred on behalf of the Company	684,172	
Balance payable at end of the year	121,680	-

Transactions during the year and due from related parties	As at December 31, 2021	As at December 31, 2020
Piramal Healthcare UK Limited		
Marketing service provided*	2,013,095	1,496,392
Balance receivable at end of the year	3,280,776	1,496,392
Piramal Enterprises Limited		
Sale of services during the year	30,000	2,421,650

Expense incurred on behalf of PEL	969,804	-
Balance receivable at end of the year	5,500	945,304
Piramal Healthcare Canada Limited		
Marketing service provided*	822,722	461,259
Balance receivable at end of the year	211,466	167,538
Piramal Pharma Solutions Inc.		
Marketing service provided*	508,314	271,826
Expense incurred on behalf of PPSI	733	15,819
Balance receivable at end of the year	123,278	88,981
Piramal Pharma Limited		
Marketing service provided*	4,864,058	-
Balance receivable at end of the year	1,204,836	-
PEL Healthcare LLC		
Balance at beginning of the year	**-**	**-**
Marketing service provided*	393,483	-
Balance receivable at end of the year	110,931	-
Piramal Pharma Inc		
Marketing service provided*	419	38,178
Purchases of services during the year	-	4,656
Balance receivable at end of the year	419	38,178
Piramal Critical Care Inc.		
Marketing service provided*	19,343	-
Balance receivable at end of the year	6,719	-
PEL Pharma Inc.		
Taxes paid on behalf of PEL Pharma Inc.	24,697	-
Balance receivable at end of the year	24,697	-

*The Company during the year ended December 2020, entered into a marketing service agreement to provide sales and marketing assistance to various affiliates of the Piramal Enterprises Limited Group for business development and promotion such as assistance in preparation of proposals to existing and prospective customers, develop sales, marketing and pricing strategies, preparation of annual sales budget and analyze contracts entered by its affiliate on a periodic basis and sharing recommendations for negotiating favorable terms from time to time. As part of the arrangement, the Company charges a markup-percentage of its service costs including commissions or other compensation of related employees and other marketing and business development costs incurred in providing these services. During the year ended December 31, 2021, and December 31, 2020, total marketing service income earned amounting to $8,025,606 and $4,356,935, respectively has been presented as 'other operating revenue' in the statements of income.

NOTE S - MEMBER'S INTEREST

The Company is a limited liability company with a single member, PEL Pharma Inc., owning 100% of the membership interest.

NOTE T - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and trade receivables involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of December 31, 2020, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents and trade receivables.

The Company's top 5 Customers account for 70 % of the total account receivable balance as on December 31, 2021, while the top 5 customers for the year ended December 31, 2020, accounted for 82 %.

The Company's top 5 Vendors account for 34 % of the total Account Payable balance as on December 31, 2021, while the top 5 Vendors for the year ended December 31, 2020, accounted for 71 %.

NOTE U - RISK AND UNCERTAINTIES

The Company's future results of operations involve several risks and uncertainties.

Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, competitive factors, including but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

NOTE V - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date these financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements

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PEL Pharma Inc.

Separate parent company financial statements
December 31, 2021, and December 31, 2020

KNAV P.A.
Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE,
Atlanta, GA 30328

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Independent auditor's report

To the Board of Directors
PEL Pharma Inc.

Qualified opinion

We have audited the accompanying separate parent company financial statements of PEL Pharma Inc. ('the Company'), which comprise the balance sheets as at December 31, 2021 and December 31, 2020 and the related statements of loss, changes in stockholders' deficit, and cash flows for the years then ended and the related notes to the separate parent company financial statements.

In our opinion, except for the effects of not consolidating all wholly owned subsidiaries, as discussed in the Basis for qualified opinion section of our report, the accompanying separate parent company financial statements present fairly, in all material respects, the financial position of PEL Pharma Inc. as at December 31, 2021 and December 31, 2020, the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for qualified opinion

As discussed in Note B.1(a) to the separate parent company financial statements, the Company reports its investments in its wholly owned subsidiaries at cost. Accounting principles generally accepted in the United States of America require all majority-owned subsidiaries be accounted for as consolidated subsidiaries. Information regarding the subsidiaries is disclosed in Note D.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate parent company financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the separate parent company financial statements

Management is responsible for the preparation and fair presentation of the separate parent company financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of separate parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate parent company financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the separate parent company financial statements are available to be issued.

KNAV
PARTNERS BEYOND BOUNDARIES

Auditor's responsibilities for the audit of the separate parent company financial statements

Our objectives are to obtain reasonable assurance about whether the separate parent company 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the separate parent company financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the separate parent company financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the separate parent company financial statements.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the separate parent company financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KNAV P.A.

Atlanta, Georgia
May 03, 2022

Separate parent company financial statements

Balance sheets

(All amounts are stated in United States Dollars, unless otherwise stated)

	As of	
	December 31, 2021	**December 31, 2020**
ASSETS		
Current assets		
Cash and cash equivalents	532,608	123,765
Other current assets	4,717,119	3,384,908
Total current assets	**5,249,727**	**3,508,673**
Investments in subsidiaries (at cost)	71,502,630	71,502,630
Loan to related parties	24,876,848	24,876,848
Total assets	**101,629,205**	**99,888,151**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Loan from related parties	64,281,620	58,793,484
Note payable to related party	2,570,582	2,570,582
Due to related party	24,697	-
Current portion of long-term borrowings	7,381,332	-
Other current liabilities	3,798,791	5,463,879
Total current liabilities	**78,057,022**	**66,827,945**
Long-term borrowings	30,217,089	36,636,153
Total liabilities	**108,274,111**	**103,464,098**
Stockholders' deficit		
Common stock (authorized, issued & outstanding 10,050 common shares, $1,000 par value)	10,050,000	10,050,000
Accumulated deficit	(16,694,906)	(13,625,947)
Total stockholders' deficit	**(6,644,906)**	**(3,575,947)**
Total liabilities and stockholders' deficit	**101,629,205**	**99,888,151**

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of loss

(All amounts are stated in United States Dollars, unless otherwise stated)	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues		
Interest income	1,368,227	1,259,782
Total revenues	**1,368,227**	**1,259,782**
Cost and expenses		
Financing costs	4,011,470	3,989,763
Professional charges	364,553	348,977
Selling, general and administrative expenses	59,087	97,984
Total costs and expenses	**4,435,110**	**4,436,724**
Operating loss	**(3,066,883)**	**(3,176,942)**
Current tax expense	2,076	2,927
Net loss	**(3,068,959)**	**(3,179,869)**

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of stockholders' deficit

For the years ended December 31, 2021 and December 31, 2020
(All amounts are stated in United States Dollars except number of shares)

	Common stock Authorized, issued and outstanding			
	Shares	Value ($)	Accumulated deficit	Total stockholders' deficit
Balance as of January 01, 2020	**10,050**	**10,050,000**	**(10,446,078)**	**(396,078)**
Net loss for the year			(3,179,869)	(3,179,869)
Balance as of December 31, 2020	**10,050**	**10,050,000**	**(13,625,947)**	**(3,575,947)**
Balance as of January 01, 2021	**10,050**	**10,050,000**	**(13,625,947)**	**(3,575,947)**
Net loss for the year			(3,068,959)	(3,068,959)
Balance as of December 31, 2021	**10,050**	**10,050,000**	**(16,694,906)**	**(6,644,906)**

(The accompanying notes are an integral part of these separate parent company financial statements)

Statements of cash flows

(All amounts are stated in United States Dollars, unless otherwise stated)

	For the year ended	
	December 31, 2021	December 31, 2020
Cash flows from operating activities		
Net loss	(3,068,959)	(3,179,869)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Amortization of debt issue costs	962,268	782,529
Changes in net operating assets and liabilities		
Other current assets	(1,332,210)	(1,258,665)
Due to related party	24,697	-
Other current liabilities	(1,665,089)	4,235,195
Net cash (used in) provided by operating activities	**(5,079,293)**	**579,190**
Cash flows from investing activities		
Loan advanced to related parties	-	(4,545,725)
Loan repaid by related party	-	768,787
Acquisition of subsidiary	-	(17,512,000)
Net cash used in investing activities	**-**	**(21,288,938)**
Cash flows from financing activities		
Repayment of bank loan	-	(42,770,000)
Proceeds from bank loan	-	40,000,000
Proceeds from related party borrowings	5,703,136	23,641,300
Payment of loan processing fee	-	(500,000)
Repayment of related party borrowings	(215,000)	-
Net cash provided by financing activities	**5,488,136**	**20,371,300**
Net changes in cash and cash equivalents	**408,843**	**(338,448)**
Cash and cash equivalents at the beginning of the year	123,765	462,213
Cash and cash equivalents at the end of the year	**532,608**	**123,765**
Supplemental disclosure of cash flow information		
Interest paid	1,378,281	582,422
Income tax paid	-	2,809

(The accompanying notes are an integral part of these separate parent company financial statements)

Notes to separate parent company financial statements

(All amounts are stated in United States Dollars, unless otherwise stated)

NOTE A - NATURE OF OPERATIONS

PEL Pharma Inc ("the Company"), incorporated on August 26, 2015 in the state of Delaware, United States of America, is an international holding company and a subsidiary of Piramal Dutch Holdings N.V. (owning 90% of the common stock) and Piramal Pharma Limited ('PPL') (owning 10% of the common stock). The Company owns Piramal Pharma Solutions Inc., Ash Stevens LLC and PEL Healthcare LLC as its wholly owned subsidiaries.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are detailed below:

1. *Basis of preparation*

   a. The accompanying separate parent company financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ('US GAAP') except for investments in wholly-owned subsidiaries. The Company reported its investments in Ash Stevens LLC ("ASL"), Piramal Pharma Solutions Inc. ("PPSI") and PEL Healthcare LLC ("PELH") using the cost basis for the reporting requirements of its ultimate parent company, Piramal Enterprises Limited.

   b. The separate parent company financial statements are prepared for the year January 01, 2021 to December 31, 2021 and for the year January 01, 2020 to December 31, 2020.

   c. Certain reclassifications, regroupings and reworking have been made in the separate parent company financial statements of prior periods to conform to the classifications used in the current year. These changes had no impact on previously reported net loss or stockholders' deficit.

2. *Going concern note*

   As on December 31, 2021, the Company has an accumulated deficit of $16,694,906 and stockholders' deficit of $6,644,906 and negative operating cashflow of 5,079,293. These conditions raise substantial doubt about the Company's ability to continue as a going concern. However, the separate parent company financial statements have been prepared on non-consolidated basis by reporting its wholly owned subsidiaries on a cost basis. These separate parent company financial statements are prepared for internal use by the management. Had the Company prepared its financial statements on consolidated basis, the Company would have positive net worth indicating no doubt about the Company's ability to continue as a going concern. Accordingly, the management considers that it is appropriate to prepare these separate parent company financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

3. *Use of estimates*

   The preparation of separate parent company financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the separate parent company financial statements and the results of operations during the reporting periods. The management's estimates regarding income taxes and valuation allowance for deferred tax assets in the preparation of the separate parent company financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

4. *Cash and cash equivalents*
Cash equivalents consist of highly liquid investments with a maturity of three months or less on the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $250,000 for each insured bank per depositor. Cash and cash equivalents comprised of only the balances at bank as at each year end presented in the balance sheets.

5. *Investments*
Investments are carried at cost. Acquisition related expenditure is expensed in the year of incurring the same. Impairment of investments held by the Company i.e. fall in the carrying value of the assets which are other than temporary, are recorded in the statement of loss in the year of impairment.

6. *Interest income*
The Company's primary business is of holding its investments in its subsidiary companies and earning return on its capital. Dividend income is recorded when received. The Company also funds its subsidiaries for smooth operation of the subsidiaries' businesses. For this activity the Company receives interest and the same is accounted for on an accrual basis. The Company presents interest income as revenue from operations as the income arises from the Company's ordinary activities. Interest income is recognized as the performance obligation is satisfied over time.

7. *Debt issuance cost*
Debt issuance costs related to loans are reported in the balance sheet as a direct deduction from the face amount of the note. Amortization of debt issuance costs has been reported as financing costs. Further, the discount or premium resulting from the determination of present value in cash or non-cash transactions is not presented as a separate asset or liability from the note that gives rise to it but is reported in the balance sheet as a direct deduction from or addition to the face amount of the note.

8. *Income taxes*
In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized.

9. *Fair values measurements and financial instruments*
The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

   Assets and liabilities recorded at fair value in the separate parent company financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The estimated fair value of cash, related party loans and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

10. *Contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the separate parent company financial statements.

NOTE C - OTHER CURRENT ASSETS

	As of	
	December 31, 2021	**December 31, 2020**
Prepaid insurance	-	55,524
Interest receivable on loan to related party *(Refer Note E)*	4,686,255	3,318,029
Taxes paid on behalf of subsidiary*	15,317	11,355
Advance tax	15,547	-
Total	**4,717,119**	**3,384,908**

*The Company files consolidated tax return on income taxable for its subsidiaries alongwith income earned by the Company. During the year, the Company accrued tax amounting to $15,317 (Previous year - $11,355) as minimum tax liability at a consolidated level. This amount is receivable from its subsidiary, PPSI, and recorded as a receivable.

NOTE D - INVESTMENTS IN SUBSIDIARIES

	As of	
	December 31, 2021	**December 31, 2020**
Investment in Ash Stevens LLC	44,790,630	44,790,630
Investment in Piramal Pharma Solutions Inc.	9,200,000	9,200,000
Investment in PEL Healthcare LLC	17,512,000	17,512,000
Total	**71,502,630**	**71,502,630**

On June 26, 2020, PEL Pharma Inc. acquired the membership interests of PEL Healthcare LLC for a consideration of $ 17,512,000.

The investments above are shown at historical cost as required for the reporting requirements of the ultimate parent company, Piramal Enterprises Limited.

NOTE E - LOAN TO RELATED PARTIES

	As of	
	December 31, 2021	**December 31, 2020**
Loan to Piramal Pharma Solutions Inc.	23,474,910	23,474,910
Loan to PEL Healthcare LLC	1,401,938	1,401,938
Total	**24,876,848**	**24,876,848**

Loan to Piramal Pharma Solutions Inc.
Interest rate on loan for the year ended December 31, 2021 was 5.50% per annum (December 31, 2020 – 5.50%). The interest earned for the year ended December 31, 2021 is $1,291,120 (December 31, 2020: $1,223,127). The interest receivable as of December 31, 2021 is $ 4,572,494 (December 31, 2020: $3,281,374).

Loan to PEL Healthcare LLC
Interest rate on loan for the years ended December 31, 2021 was 5.50% per annum (December 31, 2020 – 5.50%). The interest earned for the year ended December 31, 2021 is $77,107 (December 31, 2020 : $36,655). The interest receivable as of December 31, 2021 is $113,762 (December 31, 2020: $36,655).

NOTE F - OTHER CURRENT LIABILITIES

	As of	
	December 31, 2021	**December 31, 2020**
Interest payable on loan and notes payable to related parties *(Refer Note G)*	3,688,219	2,344,384
Guarantee commission payable	109,660	50,411
Payable for financing charges	-	3,030,000
Provision for tax	-	4,426
Accrued expense	912	912
Other payables	-	33,746
Total	**3,798,791**	**5,463,879**

NOTE G - LOAN FROM RELATED PARTIES

	As of	
	December 31, 2021	**December 31, 2020**
Loan from Ash Stevens LLC	11,353,265	10,072,340
Loan from Piramal Pharma Inc.	3,060,000	2,000,000
Loan from Piramal Healthcare Inc.	28,649,505	25,962,294
Loan from Piramal Dutch Holding NV	21,218,850	20,758,850
Total	**64,281,620**	**58,793,484**

A - Loan from Piramal Healthcare Inc. ('PHI')
The Company borrowed additional funds amounting $ 2,687,211 during the year. Interest rate for the year ended December 31, 2021 is 2.00% (December 31, 2020: 2.00%). The interest expense during the year ended

December 31, 2021 is $ 546,533 (December 31, 2020 $ 497,026). Interest outstanding as on December 31, 2021 is $ 1,579,103 (December 31, 2020 $ 1,032,570).

B – Loan from Ash Stevens LLC
The Company obtained loan from Ash Stevens LLC in August 2018. The Company borrowed additional funds during the year amounting to $ 1,280,925. Interest rate on loan borrowed for the year ended December 31, 2021 was 5.50%(December 31, 2020 – 5.50%). The interest expense during the year ended December 31, 2021 is $ 583,286 (December 31, 2020 - $496,491). Interest outstanding as on December 31, 2021 is $ 1,270,457 (December 31, 2020 $687,172).

C - Loan from Piramal Pharma Inc. ('PPI')
The Company borrowed additional funds amounting to $1,060,000 during the year. Interest rate on loan borrowed for the year ended December 31, 2021 was 5.00% (December 31, 2020 – 5.00%). The interest expense during the year ended December 31, 2021 is $ 119,389 (December 31, 2020 $ 100,273). Interest outstanding as on December 31, 2021 is $ 373,362 (December 31, 2020 $ 253,973).

D- Loan from Dutch Holding NV
The Company obtained loan from Dutch Holding NV in 2020. The Company borrowed additional funds during the year amounting to $675,000 and also repaid loan amounting to $215,000. Interest rate on loan borrowed for the year ended December 31, 2021 was 1.00% (December 31, 2020 – 5.25%).. The interest expense during the year ended December 31, 2021 is $ 415,319 (December 31, 2020 $ 316,501). Interest outstanding as on December 31, 2021 is $ 59,291 (December 31, 2020 $ 60,286).

NOTE H - NOTE PAYABLE TO RELATED PARTY

On December 31, 2021, the balance of note payable to Piramal Healthcare Inc. was $ 2,570,582 (December 31, 2020 : $ 2,570,582). The note payable was issued as consideration for acquisition of Piramal Pharma Solutions Inc. in 2016. The note payable is repayable on demand.

The interest rate for the note payable is 4% per annum for the years ended December 31, 2021 and December 31, 20. The interest expense during the year ended December 31, 2021 is $ 95,251 and year ended December 31, 2020 is $ 104,537. Interest outstanding as on December 31, 2021 is $ 406,006 (December 31, 2020 $310,755).

NOTE I - LINE OF CREDIT

On October 07, 2021, the Company along with its wholly owned subsidiaries ("the borrowers") entered into an uncommited discretionary revolving line of credit (the "Facility") with HSBC Bank USA upto an aggregate amount of $10 million to be used solely for working capital needs of the borrowers. The Facility is secured by a first priority of secured interest and a lien on accounts receivable and inventory of the Company and its fully owned subsidiaries. The facility is payable on demand and carries an interest rate of LIBOR plus 2% p.a. As at December 31, 2021, the Company has not utilized this facility.

NOTE J - LONG-TERM BORROWING

	As of	
	December 31, 2021	**December 31, 2020**
Loan from bank	40,000,000	40,000,000
Less: Current maturities	(7,381,332)	-
Less: Unamortised debt issuance costs	(2,401,579)	(3,363,847)
Total	**30,217,089**	**36,636,153**

The Company obtained loan from bank of $ 40,000,000 in June 2020. The loan was guaranteed by Piramal Enterprises Limited ("PEL"), the ultimate parent company. The debt issuance cost on this loan was $ 3,820,000. The loan has a charge on all the assets of the Company which are pledged as a collateral.

The Company had obtained loan from bank of $ 45,000,000 in 2016 for funding the acquisition of Ash Stevens LLC. The loan was guaranteed by Piramal Enterprises Limited. The loan had a charge on all the assets of Ash Stevens LLC which were pledged as a collateral. This loan was fully paid off in February 2020.

The effective interest rate ("EIR") on the loan post the transaction costs is 5.80% (December 31, 2020: 5.80%). The interest expense accrued for the year ended December 31, 2021 is $ 2,092,451 (December 31, 2020: $ 1,038,575) and the interest paid during the year ended December 31, 2021 is $ 1,170,124 (December 31, 2020: $ 592,889).

The guarantee commission charged by PEL during the year ended December 31, 2021 is $ 200,000 (December 31, 2020: $ 168,965).

Repayment of the loan from bank amounting to $ 40,000,000 is as follows:

Year	Amount
2022	7,381,332
2023	7,383,110
2024	7,388,444
2025	17,847,114

NOTE K - INCOME TAXES

For the year ended December 31, 2021, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America. During the year 2016, the Company acquired Piramal Pharma Solutions Inc and Ash Stevens LLC. During the year 2020, the Company acquired PEL Healthcare LLC.

The Company will file combined state tax returns with affiliated group companies in certain states while in certain states, the Company will file the tax returns at a separate entity level.

The components of the provision for income taxes are as follows:

	For the year ended	
	December 31, 2021	December 31, 2020
Current taxes		
State taxes	2,076	2,927
Provision for income taxes	**2,076**	**2,927**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	For the year ended December 31, 2021	December 31, 2020
Non-current deferred tax assets:		
Accrued expenses	91,458	30,182
Interest disallowed u/s 163(j)	600,484	476,425
Net operating losses	2,643,769	2,177,980
Less: valuation allowance	(3,335,711)	(2,684,587)
Total deferred tax asset	-	-
Net deferred taxes	3,335,711	2,684,587
Less: deferred tax asset valuation allowance	(3,335,711)	(2,684,587)
Net deferred taxes after tax allocation	-	-

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.

Based on the current year loss and history of past losses, the management believes that it is more likely than not that the deferred tax assets may not be realized during forseeable future and accordingly, a valuation allowance of $ 3,335,711 and $ 2,684,587 and has been created as at December 31, 2021 and December 31, 2020. The net deferred tax assets recognized were Nil as at December 31, 2021 and December 31, 2020.

The Company has federal NOLs of $12,589,374 and $12,565,114 as at December 31, 2021 and December 31, 2020 respectively. The 2016 & 2017 NOLs which if unutilized will expire in twenty year terms and the 2018 onward NOLs will be carry forwarded infinitely.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the separate parent company financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at December 31, 2021 and December 31, 2020.

The tax years 2018, 2019 and 2020 remain subject to examination by the taxing authorities.

NOTE L - RELATED PARTY TRANSACTIONS

The Company had transactions relating to loans, advances, issue of shares and investments with following related parties:

A. Stockholders

1. Piramal Enterprises Limited (Ultimate parent company)
2. Piramal Pharma Limited (Owning 10%, of common stock, 1,005 since October 06, 2020)
3. Piramal Dutch Holdings N.V. (Owning 90% of common stock)

B. Subsidiaries

1. Ash Stevens LLC
2. Piramal Pharma Solutions Inc.
3. PEL Healthcare LLC

C. Affiliates

1. Piramal Healthcare Inc.
2. Piramal Pharma Inc.

Summary of transaction during the year with related parties are as follows:

Transactions during the year and due to related parties	As at and for the year ended	
	December 31, 2021	December 31, 2020
Piramal Healthcare Inc.		
Loan payable		
Loan received during the year	2,687,211	1,770,000
Balance payable at end of the year	28,649,505	25,962,294
Note payable		
Balance payable at end of the year	2,570,582	2,570,582
Interest accrued on loan payable	546,533	497,026
Interest accrued on note payable	95,251	104,537
Interest payable at end of the year	1,985,109	1,343,325
Piramal Enterprises Limited		
Guarantee commission and other expenses		
Guarantee commission expense	325,576	153,472
Balance payable at end of the year	235,987	50,411
Ash Stevens LLC		
Loan received during the year	1,280,925	4,432,450
Balance payable at end of the year	11,353,265	10,072,340
Interest accrued for the year	583,656	496,491
Interest payable at end of the year	1,270,457	687,172
Taxes paid on behalf of the Company	24,697	-
Balance payable at end of the year	24,697	-
Piramal Pharma Inc.		
Loan received during the year	1,060,000	-
Balance payable at end of the year	3,060,000	2,000,000
Interest accrued for the year	119,389	100,273

Interest payable at end of the year	373,362	253,973
Piramal Dutch Holding NV		
Loan received during the year	460,000	20,758,850
Balance payable at end of the year	21,218,850	20,758,850
Interest (repaid) accrued for the year	(995)	60,286
Interest payable at end of the year	59,291	60,286
Loan processing fee payable		
Loan processing fee	-	3,500,000
Other fee	-	30,000
Repayment during the year	(3,030,000)	(500,000)
Balance payable at end of the year	-	3,030,000

Transactions during the year and due from related parties

	As at and for the year ended	
	December 31, 2021	**December 31, 2020**
Piramal Pharma Solutions Inc.		
Loan given during the year	-	2,375,000
Balance receivable at end of the year	23,474,910	23,474,910
Interest earned during the year	1,291,120	1,223,127
Interest receivable at end of the year	4,572,494	3,281,374
PEL Healthcare LLC		
Loan given during the year	-	2,170,725
Loan repayment during the year	-	(768,787)
Balance receivable at end of the year	1,401,938	1,401,938
Interest earned during the year	77,107	36,655
Interest receivable at end of the year	113,762	36,655

The guarantee for the loan from bank is provided by Piramal Enterprises Limited. These transactions are in the normal course of business. These have been valued in the separate parent company financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

NOTE M - COMMON STOCK

Common stock issued

During the year ended December 31, 2017, stock of 10,050 common shares of $ 1,000 par each were issued. The Company issued 9,045 common shares to Piramal Dutch Holdings N.V. and 1,005 common shares to Piramal Pharma Limited.

Voting
Each holder of common stock is entitled to one vote in respect of each share held in the records of the Company for all matters submitted to a vote.

Liquidation
In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of common shares held by the shareholders.

Each share carries an equal voting right and is entitled to an equal share in the assets of the Company at liquidation.

NOTE N - FAIR VALUE MEASUREMENTS

The Company's financial instruments consist of cash and cash equivalents and loans & advances to and from affiliates and loan borrowed from bank. The estimated fair value of cash and cash equivalents and loans & advances from affiliats approximate their carrying amounts as these are short term in nature. The loan borrowed from bank is of a long term nature but the interest rate charged to the Company is at market. Therefore the values in the balance sheet closely approximate the fair values. None of these instruments are held for trading purposes.

NOTE O - RISK AND UNCERTAINITIES

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from expectations include but are not limited to government regulations and credit risk. The Company's cash resources are invested with financial institutions with high investment grade credit ratings.

Impact of COVID-19
The extent of the impact of coronavirus (COVID 19) outbreak on operations of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, government actions, the impact on financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

NOTE P - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the separate parent company financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the separate parent company financial statements as on December 31, 2021.

Annual report 2021 of

Piramal Critical Care B.V.
of Voorschoten

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ACCOUNTANT REPORT

To the shareholders and management of
Piramal Critical Care B.V.
Rouboslaan 32
2252TR Voorschoten
The Netherlands

Voorschoten, May 25, 2022

Dear board,

We hereby send you the report .regarding the financial statements for the year 2021 of your company.

1 ENGAGEMENT

In accordance with your instructions we have audited the annual account 2021 of your company, including the balance sheet with counts of € 22,205,716 and the profit and loss account with a negative result after taxes of € 2,533,784.

For the audit opinion we refer to the chapter "Other information" on page 24 of this report.

2 GENERAL

2.1 Activities

The Company has commenced business operations in 2019, with their primary business activity being trading in pharmaceutical products under Piramal's 'Critical Care' brand across Europe. The Company is in the process of acquiring necessary Market Authorisations (MAs) under various European jurisdictions for their product portfolio. It operates under the consignment sale model and distributor model in France, Czech Republic and Austria and other European countries. The company has a rich product portfolio of 12 products ranging from Inhalation Anaesthetics, Intra-vascular pain management and oral solid pain management.

During the year 2021 , PCC B.V. entered into an investment agreement with BioQ Pharma Inc. for $ 6 Million (€ 4.9 Million) in exchange for

1. BioQ's ongoing convertible note financing worth $ 6 Million
2. Global, perpetual, irrevocable and exclusive rights to distribute and market the product 'Ropivicaine Readyfusor Gen 2'
3. Perpetual, irrevocable and exclusive rights to distribute and market the product 'Propofol' in USA
4. Right to market other products from BioQ (Propofusor, DexMed Invenious, etc.) contingent upon a subsequent investment in the new equity round.

2.2 Board

On 31 December 2021 the board of directors is formed by Peter DeYoung, Mahesh Sane, Martin Kruithof and Varun Agarwal.

2.3 Incorporation of a company

The company Piramal Critical Care B.V. was incorporated by notarial deed on November 22, 2017 at J.H. Weijenborg, Amsterdam as a private company with limited liability.
The authorized share capital amounts to € 1,000,000 (1,000,000 shares of € 1 each) of which at incorporation € 500,000 was issued and fully paid up. During 2019, additional capital of € 500,000 was issued and fully paid up.

2.4 Chamber of Commerce

The private company is registered at the Chamber of Commerce under number 70138869.

2.5 Recognition of the 2020 loss

The annual account for 2020 was adopted by the General Meeting. The loss over 2020 of € 989,296 has been deducted from the other reserves.

3 FISCAL POSITION

3.1 Taxable amount 2021

The taxable amount for 2021 has been calculated as follows:

	2021
	€
Result before taxes	-2,533,784

No corporate income tax is due over the taxable amount.

3.2 Tax losses available for set-off

As at December 31, 2021 the compensable losses amount to € 3,789,385. The loss of 2017/2018 can be compensated within a term of nine years with future fiscal profits. Losses from the year 2021 can be compensated up to a period of 6 years.

The losses to be settled have not been valued.

3.2.1 Offsettable losses

	Offsettable losses as of January 1, 2021	Loss in 2021	Offsettable losses as of December 31, 2021	Deductible until
	€	€	€	
2017/2018	266,305	-	266,305	2026
2020	989,296	-	989,296	2026
2021	-	2,533,784	2,533,784	2027
	1,255,601	2,533,784	3,789,385	

FINANCIAL STATEMENTS

1 BALANCE SHEET AS AT DECEMBER 31, 2021
(after appropriation of results)

		31 December 2021		31 December 2020	
		€	€	€	€
ASSETS					
FIXED ASSETS					
Intangible fixed assets	(1)				
Assets under development / progress			4,278,322		762,428
Financial fixed assets	(2)				
Investment			1,834,213		-
CURRENT ASSETS					
Inventories	(3)		5,673,767		4,703,014
Receivables, prepayments and accrued income	(4)				
Trade receivables		8,922,506		7,816,795	
Taxes and social securities		-		1,742	
Other receivables		37,310		19,939	
			8,959,816		7,838,476
Cash and cash equivalents	(5)		1,459,598		782,573
TOTAL OF ASSETS			22,205,716		14,086,491

		31 December 2021		31 December 2020	
		€	€	€	€
EQUITY AND LIABILITIES					
EQUITY	(6)				
Issued share capital		1,000,000		1,000,000	
Other reserves		-3,789,384		-1,255,601	
			-2,789,384		-255,601
NON-CURRENT LIABILITIES	(7)				
Other debt			14,132,500		3,100,000
CURRENT LIABILITIES	(8)				
Trade creditors		9,405,591		10,232,899	
Payables to other related parties		406,258		110,710	
Taxes and social securities		38,130		-	
Accruals and deferred income		1,012,621		898,483	
			10,862,600		11,242,092
TOTAL OF EQUITY AND LIABILITIES			22,205,716		14,086,491

2 PROFIT & LOSS ACCOUNT FOR THE YEAR 2021

		2021		2020	
		€	€	€	€
Net turnover	(9,10)	20,870,481		17,959,053	
Cost of sales	(11)	13,870,988		10,817,937	
Gross margin			6,999,493		7,141,116
Expenses					
Employee expenses	(12)	1,053,902		616,478	
Other operating expenses	(13)	7,299,655		7,446,251	
			8,353,557		8,062,729
Operating result			-1,354,064		-921,613
Financial income and expenses	(14)		-1,179,720		-67,683
Result before tax			-2,533,784		-989,296
Taxes			-		-
Result after tax			-2,533,784		-989,296

3 NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Piramal Critical Care B.V. is Rouboslaan 32 in Voorschoten of business and is registered at the chamber of commerce under number 70138869.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Income and expenses are allocated to the year to which they relate. Profits are only included insofar as they have been realized on the balance sheet date. Liabilities and possible losses that originate before the end of the reporting year are taken into account if they have become known before the preparation of the annual accounts.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to note 'Impairment of fixed assets'.

Financial fixed assets

Investment

Investments recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These investments are subsequently valued at amortised cost. For determining the value, any impairments are is taken into account.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

Receivables and deferred assets

Trade debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Securities

The listed securities are stated at fair value. The realised and unrealised changes of value are recorded to the profit and loss account under financial income and expenses.

The unlisted securities are valued at cost or lower market value. The lower market value is determined for each listed stock security seperately.

Securities which are held for trading are carried at fair value after initial recognition. Changes in the fair value are recognised directly in the income statement.

The equity instruments included under securities (not listed), which are not held for trading, are carried at cost. If the fair value of an individual security should drop below its cost price, the impairment is recognised in the income statement. The equity instruments included under securities that are listed, and which are not held for trading, are carried at fair value. An increase in value of these kind of securities is added to the revaluation reserve. When these securities are derecognised, the accumulated fair value adjustments previously recognised in the revaluation reserve are included in the income statement.

Purchased bonds which are not held for trading are stated at amortised cost. If the fair value of an individual security should drop below the amortised cost value, it is measured at its impaired value; any write-offs are disclosed in the income statement. With regard to interest-bearing securities, the interest gains are accounted for using the effective interest method.

Transaction costs are expensed in the income statement if these are related to financial assets carried at fair value through profit or loss.

Transaction costs related to securities carried at fair value with changes in equity, are recognised in the initial valuation. The transaction costs are presented in the income statement when the securities are sold to a third party.

Transaction costs related to securities that are carried at amortised cost are included in the initial valuation of the security.

Securities classified under the current assets have a maturity of less than twelve months.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.
The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

Provisions and contingent liabilities

Provisions are recognized 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 recognized as an 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.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is defined as the difference between the revenue from goods delivered and services performed on one hand and on the other hand the costs and expenses for that year, valued at historical costs.

Revenue recognition

General

Net turnover comprises the income from the supply of goods and services after deduction of discounts and such like and of taxes levied on the turnover.

Supply of goods

Revenues from the goods supplied are recognised when all significant risks and rewards in respect of the goods have been transferred to the buyer.

Supply of services

Revenues from the services rendered are recognised in proportion to the services delivered, based on the services rendered up to the balance sheet date in proportion to the total of services to be rendered.

Cost of sales

The cost of sales consists of the cost of goods sold and delivered, consisting of direct use of materials, direct wages and machine costs and other direct and indirect production costs that can be attributed to the production.

Gross margin

The gross operating profit and loss comprises net turnover, the changes in inventories of finished goods and work in progress, work performed by the entity and capitalised, other operating income, cost price and cost of outsourced work and other external charges.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Operating costs

Costs are calculates under observance of the principles of valuation as mentioned before, and are allocated to the reported year in which they incurred. Profits are accounted for in the year of delivery of the related goods and services. Losses are posted in the year in which the become apparent.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

4 NOTES TO THE BALANCE SHEET AS OF DECEMBER 31, 2021

ASSETS

FIXED ASSETS

1. Intangible fixed assets

	Assets under development / progress
	€
Carrying amount as of January 1, 2021	
Purchase price	762,428
Cumulative depreciation and impairment	-
	762,428
Movement	
Investments	3,515,894
Amortization	-
	3,515,894
Carrying amount as of December 31, 2021	
Purchase price	4,278,322
Cumulative depreciation and impairment	-
	4,278,322

During the year 2021 , PCC B.V. entered into an investment agreement with BioQ Pharma Inc. for $ 6 Million (€ 4.9 Million) in exchange for

1. BioQ's ongoing convertible note financing worth $ 6 Million
2. Global, perpetual, irrevocable and exclusive rights to distribute and market the product 'Ropivicaine Readyfusor Gen 2'
3. Perpetual, irrevocable and exclusive rights to distribute and market the product 'Propofol' in USA
4. Right to market other products from BioQ (Propofusor, DexMed Invenious, etc.) contingent upon a subsequent investment in the new equity round.

2. Financial fixed assets

	31/12/2021	31/12/2020
	€	€
Investment		
Investment - Debentures short term	733,870	-
Investment - Equity portion of debt	856,299	-
Investment - Share warrants	244,044	-
	1,834,213	-

CURRENT ASSETS

3. Inventories

Finished goods and goods for resale		
Finished goods	6,842,503	4,606,861
Raw materials	155,131	971,092
Provision for finished goods and goods for resale	-1,323,867	-874,939
	5,673,767	4,703,014

4. Receivables, prepayments and accrued income

Trade receivables		
Debtors	8,968,487	7,816,795
Doubtful debtor provision	-45,981	-
	8,922,506	7,816,795

Out of the total trade debtors, the balance pertaining to related parties is € 4,645,538.

Taxes and social securities		
VAT	-	1,742

	31/12/2021	31/12/2020
	€	€
Other receivables		
Advance to vendor	25,479	3,605
Other receivables	8,751	13,254
Deposit	3,080	3,080
	37,310	19,939

5. Cash and cash equivalents

HSBC Bank - EUR account	1,239,162	660,896
HSBC Bank - GBP account	110	102
HSBC Bank - USD account	167,703	121,575
HSBC Bank - CZK account	52,623	-
	1,459,598	782,573

The company has filed tenders in Algeria for selling its goods in the territory of Algeria for which a performance guarantee for the tender period is required to be extended for an amount equivalent to approximately 1%-2% of the tender value. Tender period would be around 1 to 2 years. A bank guarantee of EUR 112,233 has been provided by the HSBC Bank.

EQUITY AND LIABILITIES

6. EQUITY

	31/12/2021	31/12/2020
	€	€
Issued share capital		
Subscribed and paid up 1,000,000 ordinary shares at par value € 1.00	1,000,000	1,000,000

The paid-up share capital at time of incorporation of the company was Nil, as on December 31, 2018 was € 500,000 and on December 31, 2019 was € 1,000,000.

	2021	2020
	€	€
Other reserves		
Carrying amount as of January 1, 2021	-1,255,600	-266,305
Allocation of financial year net result	-2,533,784	-989,296
Carrying amount as of December 31, 2021	-3,789,384	-1,255,601

7. NON-CURRENT LIABILITIES

	31/12/2021	31/12/2020
	€	€
Other debt		
Loan related party	14,132,500	3,100,000

The above loan consists of - €3.1mil borrowed from Piramal Dutch Holdings N.V. at an interest rate of 5.25% p.a., €5.7mil ($6.5mil) borrowed from Piramal Critical Care Inc. at 3.69% p.a. and €5.2mil ($ 6mil) borrowed from Piramal Healthcare Inc. at 2% p.a.

8. CURRENT LIABILITIES

	31/12/2021	31/12/2020
	€	€
Trade creditors		
Creditors	338,344	190,949
Creditors related parties	9,067,247	10,041,950
	9,405,591	10,232,899
Payables to other related parties		
Interest payable related parties	406,258	110,710
Taxes and social securities		
VAT	38,130	-
Accruals and deferred income		
Accrued expenses	979,910	816,062
Other current liabilities	32,711	82,421
	1,012,621	898,483

COMMITMENTS

Contingent liabilities

Claims

Piramal Critical Care B.V. ("PIRAMAL") received a sanction letter in April '21 from Spanish Agency of Medicines and Medical Devices ("AEMPS") for not supplying Hypnomidate in Spain for a brief period commencing from the end of May 22, 2019 till 18th June 2019, which coincided with the transfer of the Marketing Authorization in Spain from Janssen to PIRAMAL (i.e., May 22, 2019). The basis for the sanction was for allegedly failing to comply with PIRAMAL's obligation to sufficiently stock the market with Hypnomidate, in an adequate and continuous manner to enable compliance with requirements for provision to AEMPS and to guarantee supply to pharmacies and that PIRAMAL was responsible for ceasing supply of Hypnomidate into the market. PIRAMAL has filed an appeal with the relevant court on July 20th, 2021, to challenge the said order, and the matter is currently on-going.

Long-term financial obligations

Rental commitments buildings

The company have rental commitments until April 2022, which relate to the rent of the office/building. The commitments amount to € 1.500 per month (exclusive of VAT).

5 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2021

9. Net turnover

The revenues increased in 2021 compared to 2020 with 16.2%.

	2021	2020
	€	€
10. Net turnover		
Net turnover	20,870,481	17,959,053
11. Cost of sales		
Cost of goods sold	13,870,988	10,771,239
Freight costs	-	46,698
	13,870,988	10,817,937
12. Employee expenses		
Wages and salaries	551,547	404,563
Social security charges	45,955	-
Pension costs	43,608	26,636
Agency fees	364,873	105,851
Other personnel costs	47,919	79,428
	1,053,902	616,478
Wages and salaries		
Gross wages	536,576	369,354
Holiday and bonus allowances	14,971	35,209
	551,547	404,563
Other personnel costs		
Allowances	8,422	-
Training and seminars	3,468	141
Recruitment expenses	34,650	79,000
Other personnel expenses	1,379	287
	47,919	79,428

Staff

During the 2021 financial year, the average number of employees in the Group, converted into full-time equivalents, amounted to 7 (2020: 4).

	2021	2020
	€	€
13. Other operating expenses		
Accomodation expenses	18,000	13,500
Office expenses	11,474	6,455
Car expenses	1,886	-
Selling and distribution expenses	2,392,960	1,531,270
General expenses	4,860,930	5,894,083
Travelling expenses	11,348	213
Hotel expenses	3,057	730
	7,299,655	7,446,251
Accomodation expenses		
Rent buildings	18,000	13,500
Office expenses		
Printed matter	315	504
Telephone	8,012	4,678
Postage	3,147	1,273
	11,474	6,455
Car expenses		
Lease costs	1,886	-
Selling and distribution expenses		
Publicity and advertisement	73,859	14,985
Mutations doubtfull debtors	48,642	-
Freight outward	860,160	483,312
Rates & Taxes	212,069	67,313
CFA Fees	667,692	664,325
Laboratory materials	55,867	23,167
Order servicing costs	458,456	278,168
Sales commissions	16,215	-
	2,392,960	1,531,270
General expenses		
Service charges	2,966,261	4,178,356
Royalties	98,243	49,297
Legal charges	49,596	979
Insurance	46,998	6,394
Professional charges	330,450	256,325
Transport	3,491,548	4,491,351

	2021	2020
	€	€
Transport	3,491,548	4,491,351
Regulatory fees	1,349,677	1,393,928
Audit fees	15,320	9,250
Other general expenses	4,385	-446
	4,860,930	5,894,083

14. Financial income and expenses

Interest and similar expenses	-1,179,720	-67,683

Interest and similar expenses

Interest and bank charges	427,310	135,702
Exchange gains/losses	752,410	-68,019
	1,179,720	67,683

6 OTHER DISCLOSURE

Recognition of the loss for 2021

The board of directors proposes to add the 2021 result to the other reserves for an amount of € 2,533,784. The General Meeting of Shareholders will be asked to approve the appropriation of the 2021 result, this proposition is already recognised in the financial statements.

Signing of the financial statements

Voorschoten, May 25, 2022

Peter DeYoung	Mahesh Sane
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Varun Agarwal	Martin Kruithof

OTHER INFORMATION

OTHER INFORMATION

1 Statutory appropriation of profit

Based on article 19 of the statutes the result is at disposal of the General Shareholders Meeting.

2 Annual report Executive Board

According to article 2:396 paragraph 7 of the Civil Code is waived for the preparation of an annual report of the Executive Board over 2021.

HLG accountants adviseurs

INDEPENDENT AUDITOR'S REPORT

To: Board of Directors of Piramal Critical Care B.V. registered at Voorschoten

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2021 of Piramal Critical Care B.V, based in Voorschoten.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Piramal Critical Care B.V. as at December 31, 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the company balance sheet as at December 31, 2021;
2. the company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our Responsibilities for the Audit of the Financial Statements' section of our report.

We are independent of Piramal Critical Care B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

HLG accountants adviseurs

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding 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 a company to cease to continue as a going concern;

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

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 findings in internal control that we identify during our audit.

Leusden, May 30, 2022

HLG audit B.V.

drs. G C. de Gooijer RA

Registration number: 72943165

Annual report 2021 of

Piramal Pharma Solutions (Dutch) B.V. at Leiden

CONTENTS **Page**

FINANCIAL STATEMENTS

1. BALANCE SHEET AS AT DECEMBER 31, 2021

(after appropriation of results)

		As at December 31, 2021		As at December 31, 2020	
		€	€	€	€
ASSETS					
Fixed assets					
Financial Fixed Assets	*1*				
Other receivables			4,265		4,265
CURRENT ASSETS					
Receivable, prepayments and accrued income	*2*				
Taxes and social securities (VAT)					38,530
Prepayments			1,667		
Bank			25,207		
Due from Group Companies			5,935,711		
TOTAL ASSETS			**5,966,850**		**42,795**

	Note	As at December 31, 2021		As at December 31, 2020	
		€	€	€	€
EQUITY AND LIABILITIES					
EQUITY	*3*				
Other Reserves			255,846		-96,545
CURRENT LIABILITIES	*4*				
Liabilities to group companies		412,162		126,110	
Accruals and deferred income		10,000		13,230	
Due to Group Companies		5,236,458			
Creditors		35,763			
VAT		16,621	**5,711,004**		**139,340**
TOTAL OF EQUITY AND LIABILITIES			**5,966,850**		**42,795**

2. PROFIT AND LOSS ACCOUNT FOR THE YEAR 2021

		2021		2020	
		€	€	€	€
Net turnover	*5*	5,391,943		204,112	
Cost of sales	*6*	4,898,106		156,546	
Gross margin			493,837		47,566
Expenses					
Administrative expenses	*7*		141,446		36,785
Operating result			352,391		10,781
Result before tax			352,391		10,781
Taxes			-		-
Profit for the financial year			352,391		10,781

3 NOTES TO THE FINANCIAL STATEMENTS

Registered Address

The registered and actual address of Piramal Pharma Solutions (Dutch) B.V. (CoC file 72943165) is Bargelaan 200 in Leiden.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ACCOUNTS

The annual accounts have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

These financial statements were authorised for issuance by the Board of Directors as on 16th May 2022.

ACCOUNTING PRINCIPLES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Financial fixed assets
Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Receivables and deferred assets
Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

Current liabilities
On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price.
When there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value.

Taxes
Corporate income tax is calculated at the applicable rate on the result for the financial period, taking into account permanent differences between profit calculated according to the accounts and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

ACCOUNTING PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General
The result is defined as the difference between the revenue from services performed on one hand and on the other hand the costs and expenses for that year, valued at historical costs.

Revenue recognition

General

Net turnover comprises of income from the recharge of all operating costs plus an agreed mark-up based on service agreement.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

4. NOTES TO THE BALANCE SHEET AS OF DECEMBER 31,2021

ASSETS

NON-CURRENT ASSETS	December 31, 2021 €	December 31, 2020 €
1. Financial Fixed Assets		
Other receivables		
Deposit rent	4,265	4,265

CURRENT ASSETS

2. Receivable, prepayments and accrued income

	December 31, 2021 €	December 31, 2020 €
Bank	25,207	
Due from Group Companies (Piramal Healthcare UK Limited)	5,935,711	
Prepayments	1,667	
Taxes and social securities		
VAT		38,530
	5,962,585	38,530

3. EQUITY

Issued share capital

The issued share capital amounts to € 500,000. Consisting of 500,000 ordinary shares at par value €1.00 It is stipulated that the nominal amount of the issued shares shall be paid after the company has requested that payment in writing.

Other Reserves	**December 31, 2021 €**	**December 31, 2020 €**
Carrying amount at the beginning of the period	-96,545	-107,326
Allocation of financial period net result	352,391	10,781
Carrying amount at the end of the period	-255,846	-96,545

4. CURRENT LIABILITIES

	December 31, 2021 €	**December 31, 2020 €**
Liabilities to Group Companies (Piramal Healthcare UK Ltd)		
Due to Group Companies (Accounts Receivable)	5,236,458	
Current account – Piramal Healthcare UK Ltd	412,162	126,110
	5,648,620	126,110
Tax & Social Securities	16,621	
Creditors	35,763	
Accruals and deferred income	10,000	13,230
TOTAL CURRENT LIABILITIES	**5,711,004**	**139,340**

COMMITMENTS

Long-term financial obligations

Rental commitments buildings
The company has long term rental commitments until 1st February 2023, which relate to the rent of the office/building. The commitments amount to €1,322.78 per month (exclusive of VAT).

5. NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2021

	December 31, 2021 €	December 31, 2020 €
5. Net turnover	5,391,943	204,112
6. Cost of sales	4,898,106	156,546

7. Other operating expenses

Accommodation expense		
Rent buildings	13,421	14,467

General expenses

Office set-up costs	-	-
Professional charges	125,892	20,818
Bank Charges	261	
Audit Fees	1,872	1,500
	128,025	22,318

6 OTHER DISCLOSURE

Recognition of the profit for 2021

The board of directors proposes to add the 2021 result to the other reserves for the amount of €352,391. The General Meeting of Shareholders will be asked to approve the appropriation of the 2021 results, this proposition is already recognised in the financial statements.

Signing of the financial statements

Creation of the financial statements
The financial statements are created by the management

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V.V. Agarwal

DocuSigned by:
Martin Kruithof
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M. Kruithof

DocuSigned by:
Chris Leahy
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C.M. Leahy

DocuSigned by:
Terry Cooke
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T.B. Cooke

OTHER INFORMATION

7 OTHER INFORMATION

1. Statutory appropriation of profit

Based on article 19 of the statutes the result is at disposal of the General Shareholders Meeting.

2. Annual report Executive Board

According to article 2:396 paragraph 7 of the Civil Code is waived for the preparation of an annual report of the Executive Board over 2021.

Piramal Critical Care Pty Ltd

Financial statements
For the year ended 31 December 2021

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Contents
For the year ended 31 December 2021

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Directors Report

For the period ended 31 December 2021

Your directors present their report on the entity for the financial period ended 31 December 2021.

Directors

The names of the directors in office at any time during, or since the end of, the period are:

Peter DeYoung

Mahesh Sane

Yash Bapat

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations

The Company managed to secure South Australia Tender for Sublimaze (2ml and 10ml). This is a 2 year tender, supplies commenced from September 2020.

The company received Market authorization for Desflurance in Aug 2020

The profit for the financial period amounted to AUD 32,647.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial period.

Principal Activities

The principal activity of the Company during the year was trading of pharmaceutical products related for Pain Management.

No significant change in nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the company in future financial periods.

Likely Developments and Expected Results of Operations

The Company will continue to pursue its strategic objectives to increase market share and profitability of exiting product portfolio.

Plan smooth Transition of manufacturing site change to ensure uninterrupted stock supply

The company is planning to launch Desflurance in the market to sieze maximum bundling opportunities for Sevoflurane

Environmental Regulation

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No Dividends paid or declared since the start of the financial period.

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Directors Report

For the period ended 31 December 2021

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the period as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 3.

This directors' report is signed in accordance with a resolution of the Board of Directors:

DocuSigned by:

Mahesh Sane

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Director ______________________________

Mahesh Sane

Dated this June 13th, 2022.

Auditor's Independence Declaration
Under Section 307C of the *Corporations Act 2001*

To the Directors of Piramal Critical Care Pty Ltd

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2021, there have been:

i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Bentleys

Bentleys Brisbane (Audit) Pty Ltd

Chartered Accountants

Stewart Douglas

Director

Brisbane

13 June 2022

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

	2021 $	2020 $
Sales		
Sales	386,207	472,404
Less: cost of sales		
Cost of Goods Sold	370,364	327,938
Gross profit from trading	**15,843**	**144,466**
Expenses		
Accounting fees	18,950	16,850
Advertising & Promotions	13,383	48,878
Bank charges	3,496	2,750
Director fees	25,486	26,281
Insurance	11,434	14,010
Leasing charges	12,248	14,904
Logistical fees	184,606	198,508
Office expenses	-	960
Professional expenses	51,730	61,489
Regulatory expenses	83,419	74,118
Royalty expense	3,457	1,804
	408,209	**460,552**
Other income		
Exchange profit/loss	14	25
Other Income	425,000	360,000
	425,014	**360,025**
Profit / (loss) before income tax before income tax	**32,648**	**43,937**
Income Tax Expense	(9,794)	(6,087)
Profit / (loss) before income tax after income tax	**22,854**	**37,852**
Retained earnings (accumulated losses) at the beginning of the financial year	16,046	(21,806)
Retained earnings at the end of the financial year	**38,900**	**16,046**

The accompanying notes form part of these financial statements.

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Statement of Financial Position
As at 31 December 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	**3**	165,348	228,376
Trade and other receivables	**4**	234,884	299,793
Inventories	**5**	255,121	430,474
Other current assets	**6**	14,415	13,360
Total current assets		**669,768**	**972,003**
Total assets		**669,768**	**972,003**
Current liabilities			
Trade and other payables	**7**	123,977	449,870
Income tax Payable	**8**	6,891	6,087
Total current liabilities		**130,868**	**455,957**
Total liabilities		**130,868**	**455,957**
Net assets		**538,900**	**516,046**
Equity			
Share Capital		500,000	500,000
Retained earnings		38,900	16,046
Total equity		**538,900**	**516,046**

The accompanying notes form part of these financial statements.

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Statement of Changes in Equity
For the period ended 31 December 2021

	Note	Share Capital Ordinary	Retained Earnings (Accumulated Losses)	Total
Balance at 31 December 2020		**500,000**	**16,046**	**516,046**
Comprehensive income				
Profit for the period		-	22,854	**22,854**
Other comprehensive income for the period		-		**-**
Total comprehensive income for the period attributable to members of the Entity		**-**	**22,854**	**22,854**
Transactions with owners, in their capacity as owners, and other transfers				
Capital contribution		-	-	**-**
Dividends paid or provided for		-		**-**
Total transactions with owners and other transfers		**-**	**-**	**-**
Balance at 31 December 2021		**500,000**	**38,900**	**538,900**
Balance at 31 December 2019		**500,000**	**(21,806)**	**478,194**
Comprehensive income				
Profit for the period		-	37,852	**37,852**
Other comprehensive income for the period		-		**-**
Total comprehensive income for the period attributable to members of the Entity		**-**	**37,852**	**37,852**
Transactions with owners, in their capacity as owners, and other transfers				
Capital contribution		-	-	**-**
Dividends paid or provided for		-		**-**
Total transactions with owners and other transfers		**-**	**-**	**-**
Balance at 31 December 2020		**500,000**	**16,046**	**516,046**

The accompanying notes form part of these financial statements.

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Statement of Cash Flow

For the period ended 31 December 2021

	Note	2021 $	2020 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		451,130	227,092
Payments to suppliers and employees		(505,168)	(441,111)
Income tax paid		(8,990)	-
Net cash provided by operating activities	17	(63,028)	(214,019)
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash (used in)/provided by investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(63,028)	(214,019)
Cash and cash equivalents at beginning of the period		228,376	442,395
Cash and cash equivalents at end of period		**165,348**	**228,376**

The accompanying notes form part of these financial statements.

The financial statements cover the business of Piramal Critical Care Pty Ltd which is a company limited by shares, incorporated and domiciled in Australia.

1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Summary of significant accounting policies

Revenue and other income

Revenue from the sales of goods is recognized at the point of delivery as this corresponds to the performance obligation resulting in the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest is recognised, in profit or loss, using the effective interest rate method.

Other income is recognised on an accruals basis when the company is entitled to it.

All revenue is stated net of the amount of goods and services tax.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and deposits held at call with bank.

In the cash flow statement, cash and cash equivalents includes cash on hand and deposits with banks.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).
Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.
Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement
Financial liabilities
Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.
The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.
The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.
A financial liability cannot be reclassified.

Financial assets
Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:
- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.
All the following criteria need to be satisfied for the derecognition of a financial asset:
- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.
On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Impairment
The Company recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted

at the original effective interest rate of the financial instrument.
The Company uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;

General approach
Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach
The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.
This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements
At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.
The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.
Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.
For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Trade and Other Receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade and Other Payables
Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Critical estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

Key estimates

Impairment

The Entity assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key management judgement that the Entity will make. The Entity determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Entity.

Provision for impairment of receivables

In the trade receivable balance as at 31 December 2021, 100% of the total amount are due for payment within 60 days from the date of the invoice. The directors believe that the full amount of the debt is recoverable and therefore no provision for impairment has been made.

Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

(a) the initial recognition of goodwill; or

(b) the initial recognition of an asset or liability in a transaction which:
- (i) is not a business combination; and
- (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

New Accounting Standards for Application in Future Period

The directors have determined that there are no new Accounting Standards for application in future period.

Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

Related Party Transactions for the Reporting Period

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

	Note	2021	2020
3 Cash and cash equivalents			
HSBC Bank		165,348	228,376
		165,348	**228,376**
4 Trade and other receivables			
Current			
Account receivables		234,884	299,793
Other Tax/Withholding Liabilities		2,904	-
		237,788	**299,793**

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments.

a. Expected Credit Loss Lifetime Credit: Impaired

	Opening balance 01-Jan-21	Adjustment for AASB 9	Net measurement of loss allowance	Amounts written off	Closing Balance 31-Dec-21
	$	$	$	$	$
Current trade receivables	-	-	-	-	-

Credit risk

The entity has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables specifically provided for and mentioned within Note 10. The main source of credit risk to the entity is considered to relate to the class of assets described as "trade and other receivables".

The following table details the entity's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the entity and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

The entity applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been entityed based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2021 are determined as follows. The expected credit losses below also incorporate forward-looking information.

2021	Current	>30 days past due	>60 days past due	>90 days past due	Total
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount	107,614	98,568	28,702	-	234,884
Loss allowing provision	-	-	-	-	-

2020	Current	>30 days past due	>60 days past due	>90 days past due	Total
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount	124,245	137,757	37,791	0	299,793
Loss allowing provision	-	-	-	-	-

b. Financial Assets Measured at Amortised Cost

	2021	2020
Trade and other receivables:		
- total current	234,884	299,793
- total non-current	-	-
Total financial assets classified as loans and receivables	234,884	299,793

c. Collateral Pledged

No collateral is held over trade and other receivables.

5 Inventories

Current		
Inventories	255,121	430,474
	255,121	**430,474**

6 Other assets

Current		
Prepayments	14,415	13,360
	14,415	**13,360**

7 Trade and other payables

Current		
Trade Payables - Others	151,365	4,671
Related Party Transaction	(105,682)	223,277
Provision for expense	89,040	233,365
GST Liability (net)	(10,746)	(11,443)
	123,977	**449,870**

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

■ total current	123,977	4
■ total non-current	-	-
	123,977	450,115
Less other payables (net amount ofGST payable)		
Financial liabilities as trade and other payables	123,977	450,115

The average credit period on trade and other payables (excluding GST payable) is 1 month. No interest is due on outstanding payables during this period. There were no payables outstanding longer than 1 month.

8 **Related parties**

Related party balances

Piramal Enterprises Limited	-	(7,305)
Piramal Critical Care Limited	(99,406)	230,581
Piramal Critical Care INC	(6,502)	-
Piramal Critical Care Limited	226	-
	(105,682)	223,276

Related party transactions

Purchases/Reimbursement from (sales to) related parties
Piramal Enterprises Limited – UK
Piramal Enterprises Ltd
Piramal Care INC

Nature

Purchase	**2021**	**2020**
	$	$
Purchases from PCC UK	195,012	754,813
Insurance cross charge by PELcorp	-	695
Cross Charge by Piramal Inc	6,502	-
Share of Insurance premium Paid by Piramal Critical Care Ltd	226	-
Royalty to Piramal Corporate	771	-
Sales		
Marketing Support Debit notes PCC UK	425,000	360,000
Audit fee cross charge to PEL	-	8,000
Regulatory fee Cross charge to PCC INC	-	4,763

Relationships

Holding company	Piramal Critical Care Limited
Ultimate Holding company	Piramal Enterprises Limited

Related party balances and transactions with entities with control, joint control or significant influence over the company.

	2021 $	2020 $
9 Issued Capital		
500,000 (2020: 500,000) fully paid ordinary shares	500,000	500,000
	500,000	500,000

The company has authorised, issued and paid up share capital amounting to 500,000 ordinary shares of $1 each.

	2021	2020
Ordinary Shares		
At the beginning of the reporting period	500,000	500,000
Shares issued during the year:	-	-
At the end of the reporting period	500,000	500,000

10 Financial Risk Management

The entity's financial instruments consist of deposits with banks, accounts receivable and payable, loans to and from holding company.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	2021 $	2020 $
Financial assets		
Financial assets at amortised cost:		
- cash and cash equivalents	165,348	228,376
- trade and other receivables	234,884	299,793
Total financial assets	**400,232**	**528,169**
Financial liabilities		
Financial liabilities at amortised cost:		
- trade and other payables (including accruals)	134,723	461,313
- net GST payable	(10,746)	(11,443)
Total financial liabilities	**123,977**	**449,870**

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis.

11 Contingent Liabilities and Contingent Assets

As at 31 December 2021, the Company is not aware of any contingent liabilities or contingent assets

12 Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period which may affect these financial statements.

13 Key Management Personnel

	Entity 2021 $	Entity 2020 $
Director's fee	24,000	24,000
	24,000	24,000

14 Auditor's remuneration

	2021 $	2020 $
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	10,000	10,000

15 Company details

The registered office of the Company and principal place of business is:

Piramal Critical Care Pty Ltd
REGUS AUSTRALIA MANAGEMENT PTY LTD
Level 20 Tower A The Zenith
821 Pacific Highway
Chatswood NSW 2067

16 Capital and Leasing Commitments

As at 31 December 2021, the Company had not entered into any capital or leasing commitments.

17 Cash Flow Information

	2021 $	2020 $
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after Tax	22,854	37,853
Adjustment to reconcile profit to net cash provided by operating activities		
(Increase)/decrease in trade and other receivables	64,909	(245,312)
(Increase)/decrease in inventories	175,353	(425,236)
(Increase)/decrease in other current assets	(1,055)	79
Increase/(decrease) in trade and other payables	(325,089)	418,598
Cash and cash equivalents at end of period	**(63,028)**	**(214,019)**

Piramal Critical Care Pty Ltd

ABN: 36 623 228 955

Directors' declaration

In accordance with a resolution of the directors of Piramal Critical Care Pty Ltd, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 21, are in accordance with the *Corporation Act 2001* and:

   a. comply with Australian Accounting Standards; and

   b. give a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the period ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

DocuSigned by:
9325E4EB937943E...

Yash Bapat

Director

DocuSigned by:
1C031E94DBF74FB...

Peter Deyoung

Director

DocuSigned by:
Mahesh Sane
13AB32B31553421...

Mahesh Sane

Dated June 13th, 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PIRAMAL CRITICAL CARE PTY LTD
Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Piramal Critical Care Pty Ltd (the "Company"), which comprises the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

In our opinion the financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the period then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Bentleys
THINKING AHEAD

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PIRAMAL CRITICAL CARE PTY LTD
(Continued)

Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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..

Bentleys

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane 16 June 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 Report

To The Members of
Piramal Finance Sales and Services Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Piramal Finance Sales and Services 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 Statement of Changes in Equity and the Statement of Cash Flow 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 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), changes in equity and its cash flows 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 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 financial statements.

Information Other than the 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's Report including Annexures to the Board report, but does not include the financial statement 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.

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.

LODHA & CO. MUMBAI-01 Chartered Accountants

Responsibilities of Management and those charged with Governance 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

- 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 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 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.

Other Matters

a. The opening balances as of 1st April 2021 has been taken based on the financial statements for the year ended 31st March 2021 audited by the predecessor independent auditor who vide their report dated 10th May 2021 have expressed an unmodified opinion.

b. We draw your attention to the Note 36 to the financial results 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 above 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), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

LODHA & CO. MUMBAI-01 Chartered Accountants

(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 Section 197(16) of the Act, as amended, The Company being a private limited Company, Section 197 of the Act is not applicable.

(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:

i. The Company does not have any pending litigations as on March 31, 2022.

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 to 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

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: 22044101AKUXEV3312

Place: Mumbai
Date: May 23, 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 Piramal Finance Sales and Services Private Limited of even date:

i. a. In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets: - The Company does not have any PPE and Intangible assets and hence reporting under clause 3(i) (a), (b), (c) and (d) of the Order is not applicable to the Company.

b. In our opinion and according to the information and explanations given to us and based on our examination of the records, neither any proceedings have been initiated during the year nor 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.

ii. a. The Company is in the business of providing services and does not have any physical 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 and on the basis of our examination of records, the Company does not have any sanctioned working capital at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is 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 has not provided any loans or advances in the nature of loans or guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis our examination of the records, the investment made are in the ordinary course of business and in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in the nature of loans during the year and hence reporting under clauses 3(iii)(c), (d), (e) and (f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable with respect to the investments made during the year. The Company has not provided any loans, guarantee and security during the year.

v. According to the information and explanations given to us and on the basis of our examination of records, 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. We have broadly reviewed the books of account maintained by the Company pursuant to rules made by the Central Government has not prescribed the maintenance of cost records under sub section 1 of Section 148 of the Act in respect of nature of services rendered by the Company and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained and hence reporting under clause 3(vi) of the Order is not applicable to the Company.

LODHA & CO. MUMBAI-01 Chartered Accountants

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally 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 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.

(b) According to the information and explanations given to us and on the basis of our examination of records, there are no statutory dues mentioned in clause vii (a) which have been not deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of 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) The Company has not taken any borrowings during the year and hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) 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, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) The Company has not raised any funds on short term basis during the year and hence reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company does not have any subsidiaries, associates or joint venture and hence reporting under clause 3(ix)(e) and (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, 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.

(b) According to the information and explanations given to us and based on 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 is 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

(c) Based on our audit procedure performed and according to the information and explanations given to us, the Section 177(9) of the Act is not applicable and hence reporting under 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 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard. The Section 177 of the Act is not applicable to the Company. (Refer note no. 21 to the financial statements)

xiv. In our opinion and according to the information and explanations given to us, as the Company's turnover is less than 200 crores and it does not have any borrowings from banks/ financial institutions, provision of Section 138 of the Act for appointment of internal auditor is not applicable and hence reporting under clause 3(xiv)(a) and 3(xiv(b) of the order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of 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 is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) 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 immediately preceding financial year.

xviii. There has been 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 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.

LODHA & CO. MUMBAI-01 Chartered Accountants

xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year 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: 22044101AKUXEV3312

Place: Mumbai
Date: May 23, 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 Piramal Finance Sales and Services 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 Piramal Finance Sales and Services Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 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 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 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 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: 22044101AKUXEV3312

Place: Mumbai
Date: May 23, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Balance Sheet
as at March 31, 2022

(Currency : Rs in Lakhs)

		Note	As at March 31, 2022	As at March 31, 2021
	ASSETS			
1	**Non-Current Assets**			
(a)	Intangible assets under development	3	5	-
(b)	Deferred Tax Assets	4	18	3
(c)	Current tax Assets	5	86	-
	Total Non-Current Assets		**109**	**3**
2	**Current Assets**			
(a)	Financial Assets:			
	(i) Trade Receivables	6	1,277	108
	(ii) Cash and Cash Equivalents	7	26	63
	Total Current Assets		**1,303**	**171**
	Total Assets		**1,412**	**174**
	EQUITY AND LIABILITIES			
1	**Equity**			
(a)	Equity share capital	8	10	10
(b)	Other equity	9	111	53
	Total Equity		**121**	**63**
	Liabilities			
2	**Non-Current Liabilities**			
(a)	Provisions	10	35	11
	Total Non-Current Liabilities		**35**	**11**
3	**Current Liabilities**			
(a)	Financial liabilities:			
	(i) Trade payables	11		
	(a) Total outstanding dues to micro and small enterprises		-	0
	(b) Total outstanding dues to creditors other than micro and small enterprises		124	21
	(ii) Other financial liabilities	12	172	5
(b)	Other current liabilities	13	924	65
(c)	Provisions	10	36	1
(d)	Current tax liabilities (net)	14	-	8
	Total Current Liabilities		**1,256**	**100**
	Total Equity and Liabilities		**1,412**	**174**
	Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **Lodha and Co.**
Chartered Accountants
Firm's Registration No: 301051E

For and on behalf of the Board of Directors of
Piramal Finance Sales and Service Private Limited

LODHA & CO. MUMBAI-01 Chartered Accountants

R. P. Baradiya
Partner

Sunit Madan
Director
DIN: 06441957

Jagdeep Mallareddy
Director
DIN: 07492539

Mumbai
May 23, 2022

Internal Use - Confidential

Piramal Finance Sales and Service Private Limited

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 period ended March 31, 2021
Revenue from operations	*15*	5,495	556
Other Income	*16*	1	-
Total Income		**5,496**	**556**
Expenses			
Employee benefits expense	*17*	5,250	452
Other expenses	*18*	118	33
Total Expenses		**5,368**	**485**
Profit before tax		**128**	**71**
Less: Tax Expenses	*19*		
Current tax		34	21
Deferred tax credit	*4*	(2)	(3)
		32	**18**
Profit for the year		**95**	**53**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit liability/(asset)		50	-
Income tax relating to items that will not be reclassified to profit or loss		(13)	-
Other comprehensive income / (loss)		**37**	-
Total comprehensive income for the year		**58**	**53**
Earnings per equity share (Basic and Diluted) (Rs.) (Face value of Rs.10)	*20*	*95.49*	*53.09*
Significant accounting policies	*2*		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **Lodha and Co.**
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
May 23, 2022

LODHA & CO. MUMBAI-01 Chartered Accountants

For and on behalf of the Board of Directors of
Piramal Finance Sales and Service Private Limited

Sunit Madan
Director
DIN: 06441957

Jagdeep Mallareddy
Director
DIN: 07492539

Piramal Finance Sales and Service Private Limited

Statement of Cash Flows
For the year ended March 31, 2022

(Currency : Rs in Lakhs)

		For the year ended March 31, 2022	For the period ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	**128**	71
	Adjustments:		
	Gain on sale of current investments - Mutual funds	**(1)**	-
	Operating cash flow before working capital changes	**127**	71
	Decrease/(increase) in trade receivables	**(1,169)**	(108)
	(Decrease) / Increase in provision	**9**	12
	(Decrease) / Increase in trade payables	**102**	21
	(Decrease) / Increase in other financial liabilities	**168**	5
	(Decrease) / Increase in other current liabilities	**858**	73
	Cash used in operations	**95**	74
	Less: Income taxes paid	**(128)**	(21)
	Net cash used in operating activities (a)	**(33)**	53
B	**Cash flow from investing activities**		
	Purchase of intangible assets (including intangible assets under development)	**(5)**	-
	Investments in current investments - mutual funds	**(1,372)**	-
	Redemptions of current investments - mutual funds	**1,373**	-
	Net cash flow from investing activities (b)	**(4)**	-
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share	-	10
	Net cash flow from financing activities (c)	-	10
	Net increase in cash and cash equivalents (a+b+c)	**(37)**	63
	Cash and cash equivalents as at beginning of the year	**63**	-
	Cash and cash equivalents as at end of the year (refer note 7)	**26**	63

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For **Lodha and Co.**
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

For and on behalf of the Board of Directors of Piramal Finance Sales and Service Private Limited

Sunit Madan

Sunit Madan
Director
DIN: 06441957

Jagdeep Mallareddy
Director
DIN: 07492539

Mumbai
May 23, 2022

LODHA & CO.
MUMBAI-01
Chartered Accountants

Internal Use-Confidential

Piramal Finance Sales and Service Private Limited

Statement of changes in equity

For the year ended March 31, 2022

(Currency : Rs in Lakhs)

A. Equity Share Capital:

Particulars	Amount
Equity shares of Rs.10 each issued, subscribed and fully paid	
Balance as at 01 April 2020	-
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 01 April 2020	-
Changes in Equity Share Capital during the year	10
Balance as at March 31, 2021	**10**
Balance as at April 1, 2021	10
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 01 April 2021	10
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2022	**10**

B. Other Equity:

Particulars	Surplus in statement of Profit & Loss	Total
Balance as at April 1, 2020	-	-
Changes in accounting policy or prior period errors	-	-
Profit for the year	53	53
Other comprehensive income for the year, net of income tax	-	-
Balance as at March 31, 2021	53	53
Changes in accounting policy or prior period errors	-	-
Restated balance as at 01 April 2021	-	-
Profit for the year	95	95
Other comprehensive income for the year, net of income tax	(37)	(37)
Balance as at March 31, 2022	111	111

As per our report of even date attached.

For **Lodha and Co.**
Chartered Accountants
Firm's Registration No: 301051E

R. P. Baradiya
Partner

Mumbai
May 23, 2022

For and on behalf of the Board of Directors of Piramal Finance Sales and Service Private Limited

Sunit Madan
Director
DIN: 06441957

Jagdeep Mallareddy
Director
DIN: 07492539

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements

For the year ended March 31, 2022

(Currency : Rs in Lakhs)

1 GENERAL INFORMATION

Piramal Finance Sales And Service Private Limited ('the Company') was incorporated under the Companies Act, 2013 (18 of 2013), on September 09, 2020 with its registered in Mumbai. The Company started its operations w.e.f. October 01, 2020.The primary activities of the Company involve Sourcing, Marketing & Distribting of Financial products, Assets & providing manpower services.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act").

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

ii) Basis of accounting

The 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

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) 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 statement of 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).

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Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements (Continued)

For the year ended March 31, 2022

(Currency : in Rs)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

iii) Financial instruments *(Continued)*

Financial assets *(Continued)*

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.

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.

Changes in the fair value of financial assets at FVTPL 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.

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.

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.

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(Currency : in Rs)

iii) Financial instruments *(Continued)*

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.

v) Provisions, contingent liabilities and contingent assets

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.

Contingent assets are not recognised in the financial statements. Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. However, they are assessed continually, and if it has become virtually certain that inflow of economic benefits will arise, the asset and related income are recognized in the financial statements.

vi) Revenue recognition

Manpower and Professional services are recognised in statement of profit or loss over time as the services are rendered.

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 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).

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Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements (Continued)
For the year ended March 31, 2022

(Currency : in Rs)

vii) 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 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.

viii) Segment Reporting

The Company is operating in a single reportable segement i.e. manpower and professional service fees. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments and accordingly the same is not applicable to the Company.

ix) 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.

x) 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.

xi) Recent Accounting Pronouncements

(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.

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Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
as at March 31, 2022

(Currency : Rs in Lakhs)

	As at March 31, 2022	As at March 31, 2021
3 Intangible assets under development		
Software Development	5	-
Total	5	-

Amount in intangible assets under development as at 31 March 2022				
Intangible assets under development	**Less than 1 year**	**1-2 years**	**More than 3 years**	**Total**
Projects in progress				
Software development	5			5
Total	5	-	-	5

4 Deferred tax assets

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	18	3
Deferred tax liabilities	-	-
	18	3

Movement of deferred tax

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:				
Provision for gratuity	3	2	13	18
	3	2	13	18

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:				
Provision for gratuity	-	3	-	3
Total	-	3	-	3

5 Current tax assets

	As at March 31, 2022	As at March 31, 2021
Advance Tax (net of provision as at 31 March 2022 - 55 lakhs and as at 31 March 2021 - NIL)	86	-
Total	86	-

6 Trade receivables

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	1,277	108
Total	1,277	108

Ageing Schedule

Trade Receivables as at 31.03.2022	0-6 months	6months - 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
Undisputed Trade Receivables - considered good	972	305	-	-	-	1,277
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	972	305	-	-	-	1,277

Trade Receivables as at 31.03.2021	0-6 months	6months - 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
Undisputed Trade Receivables - considered good	108	-	-	-	-	108
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	-	-	-	-	-	108

7 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	26	63
Total	26	63

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
as at March 31, 2022

(Currency : Rs in Lakhs)

	As at March 31, 2022	As at March 31, 2021
8 Equity Share Capital		
Authorized share capital:		
1,00,000 Equity shares of INR 10 each	**10**	10
Total	**10**	10
Issued, subscribed and paid up capital:		
Equity shares		
Opening balance	**10**	-
Equity shares of INR 10 each		
Add: issued during the period/ year	-	10
1,00,000 equity shares of INR 10 each		
Total	**10**	10

Shares held by holding company / Promoters

Name of the shareholder	March 31, 2022	March 31, 2021
1,00,000 equity shares of INR 10 each by PHL Fininvest Private Limited	10	10

Particulars of shareholder holding more than 5% shares of a class of shares

Name of the shareholder	March 31, 2022	March 31, 2021
1,00,000 equity shares of INR 10 each by PHL Fininvest Private Limited (100% holding company)	**10**	10

Details of shareholding of Promoters in the company

	As at 31st March 2022		
	No of Shares	**% of Total Shares**	**% Change during the year**
PHL Fininvest Private Limited #	1,00,000	100%	-
Total	**1,00,000**	**100%**	-

	As at 31st March 2021		
	No of Shares	**% of Total Shares**	% Change during the year
PHL Fininvest Private Limited #	1,00,000	100%	-
Total	**1,00,000**	**100%**	-

includes 10 shares of Rs. 10 each, fully paid held with Mr. Jairam Sridharan, as nominee shareholder

Rights, preferences and restrictions attached to shares

Equity shares
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.

9 Other equity		
Surplus in statement of Profit & Loss (refer note 9.1)	**111**	53
Total	**111**	53
9.1 Surplus in statement of Profit & Loss		
Opening Balance	**53**	-
Net profit for the period	**95**	53
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	**(37)**	-
Closing Balance	**111**	**53**

Surplus in statement of Profit & Loss 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 and is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
as at March 31, 2022

(Currency : Rs in Lakhs)

		As at March 31, 2022	As at March 31, 2021
10	**Provisions**		
	Provision for Employee Benefits		
	Gratuity (refer Note 23)	71	12
	Total provisions	**71**	**12**
	Current	36	1
	Non-current	35	11
	Total	**71**	**12**
11	**Trade payables**		
(a)	Total outstanding dues of micro enterprises and small enterprises (MSME)	-	0
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	Trade payables	124	21
	Total	**124**	**21**

Ageing Schedule

Trade Payables as at 31.03.2022	0-6 months	6months - 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
MSME	-	-	-	-	-	-
Others	124	-	-	-	-	124
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**124**	-	-	-	-	**124**

Trade Payables as at 31.03.2021	0-6 months	6months - 1 year	1yr-2yr	2yr-3yr	3 yr and above	Total
MSME	0	-	-	-	-	0
Others	21	-	-	-	-	21
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**21**	-	-	-	-	**21**

12	**Other financial liabilities**		
	Payable to employees	172	5
	Total other financial liabilities	**172**	**5**
13	**Other current liabilities**		
	Statutory dues payable	193	17
	Goods and service tax credit Payable	205	28
	Advance received from customers	526	20
	Total other current liabilities	**924**	**65**
14	**Current tax liabilities (net)**		
	Provision for tax (net of advance tax of Rs. 13 lakhs)	-	8
	Total	-	**8**

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
For the year ended March 31, 2022

(Currency : Rs in Lakhs)

	For the year ended March 31, 2022	For the period ended March 31, 2021
15 Revenue from operations		
Revenue from services		
Manpower services	5,370	481
Professional services	125	75
	5,495	**556**
16 Other income		
Gain on sale of current investments - Mutual funds	1	-
	1	**-**
17 Employee benefits expenses		
Salaries and wages	4,770	406
Contribution to provident and other fund	304	27
Recruitment Expenses	157	7
Provision for gratuity	9	12
Staff welfare expenses	10	0
	5,250	**452**
18 Other expenses		
Legal and professional fees	61	4
Travelling and conveyance	39	17
Other expenses	4	0
Rates and taxes, excluding taxes on income	1	0
Postage and communication	0	-
Payments to auditors		
- as auditor	10	12
- as tax audit	3	-
	118	**33**

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
as at March 31, 2022

(Currency : Rs in Lakhs)

19	**Income Taxes**	**Year ended March 31, 2022**	**Period ended March 31, 2021**
a.	**Recognised in Profit or Loss**		
	Current Tax	**34**	21
	In respect of the current period		
	Deferred Tax	**(2)**	(3)
	In respect of the current period		
	Total	**32**	18

b. The income tax expense for the period can be reconciled to the accounting profit as follows:

	Year ended March 31, 2022	Period ended March 31, 2021	**Year ended March 31, 2022**	Period ended March 31, 2021
	Rs.		**Effective tax rate reconciliation**	
Profit before tax	128	71		
Income tax expense calculated at 25.17% (enacted tax rate)	32	18	25.17%	25.17%
Income tax expense recognised in profit or loss	**32**	18	**25.17%**	25.17%

LODHA & CO. MUMBAI-01 Chartered Accountants

Notes to the financial statements (Continued)
For the year ended March 31, 2022

(Currency : Rs in Lakhs)

20 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	For the year ended 31 March 2022	For the period ended 31 March 2021
Net profit attributable to equity share	95	53
Weighted average number of equity shares outstanding during the year for calculation of EPS	1,00,000	1,00,000
Basic and Diluted EPS of face value of INR 10	95.49	53.09

The basic and diluted EPS is same as there are no potential dilutive equity shares.

21 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

List of Related Parties

a) **Ultimate holding company**
Piramal Enterprises Limited

b) **Holding company**
PHL Fininvest Private Limited

c) **Fellow subsidiary company with whom transactions has been carried out**
Piramal Capital & Housing Finance Limited

d) **Transactions and balances with related parties**

Details of Transactions	For the year ended 31 March 2022	For the period ended 31 March 2021
Service Fees		
Piramal Capital & Housing Finance Limited	4,440	342
Share Capital		
PHL Fininvest Private Limited	-	10

Outstanding balances	As at March 31, 2022	As at March 31, 2021
Advance received		
Piramal Capital & Housing Finance Limited	526	20

22 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under

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	-	0
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	22	-
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	-
Further interest remaining due and payable for earlier years	-	-

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.

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(Currency : Rs in Lakhs)

23 Employee benefits:

Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2022
The Company's defined contribution plans are Provident Fund. The Company has no further obligation beyond making the contributions to such plans.

A. Change in projected benefit obligation

Particulars	(Non-Funded) Gratuity Year Ended March 31, 2022	(Non-Funded) Gratuity Year Ended March 31, 2021
Present value of benefit obligation as at beginning of the year	12	-
Interest cost	1	-
Current service cost	8	5
Past service cost	-	-
Liability transferred in	-	7
Benefits paid	-	-
Actuarial (gain) / loss	50	-
Present value of defined benefit obligation as at the end of the year	71	12

B. Amount recognised in the Balance Sheet

Particulars	(Non-Funded) Gratuity As at March 31, 2022	(Non-Funded) Gratuity As at March 31, 2021
Present value of benefit obligation at the end of the year	(71)	(12)
Fair value of plan assets at the end of the year	-	-
Funded status (surplus/ (deficit))	(71)	(12)
Net (liability)/asset recognized in the Balance Sheet	(71)	(12)

C. Net interest cost for current year

Particulars	(Non-Funded) Gratuity Year Ended March 31, 2022	(Non-Funded) Gratuity Year Ended March 31, 2021
Present value of benefit obligation at the beginning of the year	12	-
(Fair value of plan assets at the beginning of the year)	-	-
Net liability/(asset) at the beginning	12	-
Interest cost	1	-
(Interest income)	-	-
Net interest cost for current year	1	-

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Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
For the year ended March 31, 2022

(Currency : Rs in Lakhs)

23 Employee Benefits: *(Continued)*

D. Expenses recognised in Statement of Profit and Loss

Particulars	(Non-Funded) Gratuity Year Ended March 31, 2022	(Non-Funded) Gratuity Year Ended March 31, 2021
Current service cost	8	5
Interest cost	1	-
Past service cost	-	7
Total expenses / (income) recognised in the Statement of Profit and Loss	**9**	12

E. Expenses recognized in the Other Comprehensive Income (OCI) for current year

Particulars	(Non-Funded) Gratuity Year Ended March 31, 2022	(Non-Funded) Gratuity Year Ended March 31, 2021
Actuarial (Gains)/Losses on Obligation For the Period	50	-
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense For the year recognized in OCI	**50**	-

F. 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	-	-

G. Principal actuarial assumptions used:

Particulars	(Non-Funded) Gratuity Year Ended March 31, 2022	(Non-Funded) Gratuity Year Ended March 31, 2021
Rate of discounting	5.18%	5.18%
Rate of salary increase	7.00%	7.00%
Rate of employee turnover	25.00%	25.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

LODHA & CO. MUMBAI-01 Chartered Accountants

Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
For the year ended March 31, 2022

(Currency : Rs in Lakhs)

23 Employee Benefits: *(Continued)*

H. Balance sheet reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Opening net liability	12	-
Expenses recognized in Statement of Profit or Loss	9	12
Expenses recognized in OCI	50	-
Net liability transfer in	-	-
Benefit paid	-	-
Net liability/(asset) recognized in the Balance Sheet	71	12

I. Other details

Particulars	As at March 31, 2022	As at March 31, 2021
No of members	4873	432
Per month salary for members	471	44
Weighted Average Duration of the Projected Benefit Obligation	2	5
Average expected future service (years)	1	3
Projected benefit obligation (PBO)	71	12
Prescribed contribution for next year (12 months)	-	-

J. Net interest cost for next year

Particulars	Estimated for the year ended March 31, 2022	Estimated for the year ended March 31, 2022
Present value of benefit obligation at the end of the year	71	12
Net liability/(asset) at the end of the year	71	12
Interest cost	3	1
Net interest cost for next year	3	1

K. Expenses recognized in the Statement of Profit or Loss

Particulars	Estimated for the year ended March 31, 2022	Estimated for the year ended March 31, 2022
Current service cost	14	8
Net interest cost	3	1
Expenses recognized	17	9

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Piramal Finance Sales and Service Private Limited

Notes to the Financial Statements *(Continued)*
For the year ended March 31, 2022

(Currency : Rs in Lakhs)

23 Employee Benefits: *(Continued)*

L. 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	71	12
Delta effect of +1% change in rate of discounting	(1)	(0)
Delta effect of -1% change in rate of discounting	1	1
Delta effect of +1% change in rate of salary increase	1	1
Delta effect of -1% change in rate of salary increase	(1)	(0)
Delta effect of +1% change in rate of employee turnover	(0)	(0)
Delta effect of -1% change in rate of employee turnover	0	0

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.

Since it is the first year of the company's operations, we have considered the Current Service Cost to be the difference between the Projected Benefit Obligation and Transfer In Liability.

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.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

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.

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Piramal Finance Sales and Service Private Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2022

(Currency : Rs in Lakhs)

24 Fair Value Disclosures

a)

	31 March 2022		31 March 2021	
Categories of Financial Instruments:	**FVTPL**	**Amortised Cost**	FVTPL	Amortised Cost
Financial Assets				
Trade receivables #	-	1,277	-	108
Cash & bank balances #	-	26	-	63
	-	**1,303**	-	**171**
Financial liabilities				
Trade payables #	-	124	-	21
Other financial liabilities #	-	1,096	-	78
	-	**1,220**	-	99

Notes:

\# The Company has not disclosed the fair value of trade receivables, cash and bank balances, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

25 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 current capital structure of the Company as on March 2022 & March 2021 consists of only equity.

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.

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(Currency: Rs in Lakhs)

26 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, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

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 Board of Directors (BOD) of the Company reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The BOD 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) liquidity risk, (ii) fraud risk and operational risk (iii) regulatory risk (iv) credit risk

26.1 Fraud risk and operational risk:

The Company has an elaborate system of internal controls 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 the management and review of all the cases which are entered in the system, including corrective and remedial actions as regards people and processes.

Management 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 the Board of Directors of the company.

26.2 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.

26.3 Liquidity Risk

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 contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of Financial Liabilities	31 March 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	124	-	-	-
Other Financial Liabilities	1,096	-	-	-
	1,220	**-**	**-**	**-**

Maturities of Financial Liabilities	31 March 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	21	-	-	-
Other Financial Liabilities	78	-	-	-
	99	**-**	**-**	**-**

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.

26 Risk Management (Continued)
26.3 Liquidity Risk (Continued)

Maturities of Financial Assets	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade receivables	1,277	-	-	-
Cash & bank balances	26	-	-	-
	1,303	**-**	**-**	**-**

Maturities of Financial Assets	March 31, 2021			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade receivables	108	-	-	-
Cash & bank balances	63			
	171	**-**	**-**	**-**

26.4 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables:

The receivables of the Company are from manpower and professional services.
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management.
Outstanding customer receivables are regularly monitored. No credit allowance made, since the entire outstanding balance has been cleared subsequent to balance sheet date.

Financial instruments and cash deposits:

The credit risk on other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

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(Currency : Rs in Lakhs)

27 Segment Reporting

The chief operational decision maker monitors its principle business segment i.e. Sourcing, Marketing & Distributing of Financial products, Assets & Services. 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.

Customers contributing > 10 % of the revenue

Particualrs	For the year ended March 31, 2022	For the year ended March 31, 2021
Customer 1	81%	62%
Customer 2		14%
Customer 3		13%
Customer 4		11%

28 Analytical Ratios

Ratio	Numerator	Denominator	For the year ended March 31, 2022	For the period ended March 31, 2021	Variance (%)	Variance (%)
Current ratio	Current Assets	Current Liabilities	1.04	1.71	-39%	Refer Note no. 37
Debt-equity ratio	Total Debt	Shareholder's Equity	N.A	N.A	N.A	
Debt service coverage ratio	Earnings available for debt service	Debt Service	N.A	N.A	N.A	
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	954.92%	530.86%	80%	Refer Note no. 37
Inventory turnover ratio	N.A	N.A	N.A	N.A	N.A	
Trade receivables turnover ratio (in days)	Net Credit Sales	Average Accounts Receivable	7.93	5.13	55%	Refer Note no. 37
Trade payables turnover ratio (in days)	Average Trade Payables	Net Sales	0.01	0.04	-65%	Refer Note no. 37
Net capital turnover ratio	Net Sales	Working Capital	115.78	7.84	1376%	Refer Note no. 37
Net profit margin (%)	Net Profit after tax	Net Sales	1.74%	9.55%	-82%	Refer Note no. 37
Return on capital employed	Earning before interest and taxes	Capital Employed	105.23%	112.45%	-6%	
Return on investment	Interest income	Closing investments	N.A	N.A	N.A	

29 The Company does not have any contingent liability and commitements as on March 31, 2022 (Previous year - Rs. Nil).

30 There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

31 No proceeding has been initiated during the year or pending against the Company for holding any Benami property Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

32 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

33 During the current year the Company has not traded or invested in Crypto currency or Virtual Currency.

34 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.

35 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

36 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

37 Impact of Covid-19

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. The Company's investment may face some head winds due to the emerging economic conditions. Based on the current indicators of future economic conditions, the Company considers the provision in standalone financial statements to be adequate. The extent to which the COVID-19 pandemic will impact the Company's financial statements will depend on 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, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

38 The previous year figures have been re-grouped / re-classified wherever required to conform to current year's classification. The Company was incorporated on 9 September 2020 and previous year being the first financial statements from the date of incorporation upto 31 March 2021, accordingly comparative figures for the previous year are not omparable to that extent.

Signature to Note 1 - 38

For and on behalf of the Board of Directors of Piramal Finance Sales and Service Private Limited

LODHA & CO. ★ MUMBAI-01 ★ Chartered Accountants

Sunit Madan
Director
DIN: 06441957

Jagdeep Mallareddy
Director
DIN: 07492559

Mumbai
May 23, 2022

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Viridis Infrastructure Investment Managers Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements **Viridis Infrastructure Investment Managers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 notes to the financial statements including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its losses (financial performance 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 specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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 Indian Accounting Standards (Ind AS) prescribed 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 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 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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:

a) 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.

b) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls

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system in place and the operating effectiveness of such controls

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

d) 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.

e) 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 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 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

c) The Balance Sheet, the Statement of Profit and Loss, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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 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 section 197(16) of the Act, as amended, the company has not paid any remuneration to its directors during the year hence provisions of section 197 of the Act shall not be 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 does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and.

iii. There are no amounts which are 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, 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 its 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 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.

For D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

UDIN: 22151363AJCXHF9675
Place: Mumbai
Date: May 10, 2022

ANNEXURE 'A'
TO THE 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 **Viridis Infrastructure Investment Managers Private Limited** on the standalone Ind AS financial statements for the year ended 31st March 2022]

(i) The company does not hold any Property, Plant and Equipment, intangible assets and immovable properties accordingly, paragraph 3 (i) of the order is not applicable.

(ii) (a) The company does not have any inventory and hence reporting on paragraph 3 (ii) (a) of the order is not applicable.

(b) During any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions and hence reporting on paragraph 3 (ii) (b) of the order is not applicable.

(iii) During the year 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 Partnerships or any other parties and hence reporting on paragraph 3 (iii) of the order is not applicable.

(iv) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 applies, accordingly, paragraph 3 (iv) of the order is not applicable.

(v) In our opinion, based on our examination and according to information and explanation given to us, the company has not accepted any deposits and hence reporting on paragraph 3 (v) of the order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including income-tax and any other statutory dues as applicable to the Company to the appropriate authorities.

(b) There are no dues of income tax which have not been deposited on account of any disputes.

(viii) There are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

(ix) (a) In our opinion, based on our examination and according to information and explanation given to us, the company does not have any loans or other borrowings from any lender and hence reporting on paragraph 3 (ix) (a) of the order is not applicable.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under paragraph 3 (ix) (c) of the Order is not applicable.

(d) No funds are raised by the company during the year and hence, reporting under paragraph 3 (ix) (d) of the Order is not applicable.

(e) The company has not taken any funds from any entity or person during the year and hence reporting on paragraph 3 (ix) (e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on paragraph 3 (ix) (f) of the Order is not applicable.

(x) a. According to the information and explanations given to us and based on our examination of the records of the company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments).

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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(i) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 this report.

(c) The company has not received any whistle-blower complaints during the year and hence reporting on paragraph 3 (xi) (c) of the order is not applicable.

(xi) The Company is not a Nidhi Company and accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company, there are no transactions with the related parties to which the provisions of section 188 of the act applies. Further provisions of section 177 of the Act are not applicable to the company.

(xiii) Internal audit is not applicable to the Company; hence paragraph 3(xiv) of the Order is not applicable to the Company.

(xiv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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(xv) According to the information and explanation given to us, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

(xvi) The company has incurred cash profit/ losses in the Financial year and immediately preceding Financial year.

(Amount in Hundreds.)

Particulars	Current F.Y.	P.Y.
Net Profit/(Loss)	(330.65)	(59.00)
Non-Cash Items: - . Provision for expenses	147.5	59.00
Cash Losses	(183.15)	-

(xvii) There has been no resignation of statutory auditors during the year.

(xviii) 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 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 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.

(xix) According to the information and explanations given to us and based on our examination of the records of the company and hence reporting on paragraph 3(xx) of the Order is not applicable.

(xx) The company is not required to prepare consolidated financial statements and hence paragraph 3 (xxi) of the Order is not applicable to the Company.

For D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

UDIN: 22151363AJCXHF9675
Place: Mumbai
Date: May 10, 2022

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **Viridis Infrastructure Investment Managers 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Viridis Infrastructure Investment Managers Private Limited** ("the Company") as at March 31, 2022, in conjunction with our audit of the 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 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, 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.

Auditors' responsibility

Our responsibility is to express an opinion on the 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 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 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 in 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 control system over financial reporting.

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.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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 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 D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

UDIN: 22151363AJCXHF9675
Place: Mumbai
Date: May 10, 2022

Viridis Infrastructure Investment Managers Private Limited

Standalone Balance Sheet

as at 31 March 2022

(Currency: Indian rupees in hundreds)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	3	**816.85**	**1,000.00**
Total assets		**816.85**	**1,000.00**
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
Trade payables	4		
Other payables	4		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**206.50**	**59.00**
2 Equity			
(a) Equity share capital	5	**1,000.00**	**1,000.00**
(b) Other equity	6	**(389.65)**	**(59.00)**
Total liabilities and equity		**816.85**	**1,000.00**
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached.

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCXHF9675

Place : Mumbai
Date : 10.05.2022

For and on behalf of the Board of Directors of
Viridis Infrastructure Investment Managers Private Limited

Kalpesh Kikani
Director
DIN : 03534772

Vaibhav Rekhi
Director
DIN : 05159501

Place : Mumbai
Date : 10.05.2022

Viridis Infrastructure Investment Managers Private Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(Currency: Indian rupees in hundreds)

	Notes	For the year ended 31 March 2022	For the period from 22 October 2020 to 31 March 2021
Revenue			
Revenue from operations		-	-
Other income		-	-
Total income		-	-
Expenses			
Other expenses	7	330.65	59.00
Total expenses		330.65	59.00
Profit / (Loss) before tax		(330.65)	(59.00)
Less: Tax expenses			
Current tax		-	-
Deferred tax		-	-
		-	-
Profit / (Loss) after tax		(330.65)	(59.00)
Other Comprehensive Income/(Expenses):			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		-	-
- Income tax relating to above items		-	-
		-	-
Total Comprehensive Income / (Expenses) for the year		(330.65)	(59.00)
Earnings per share [nominal value of share Rs. 10]	8		
Basic		(3.31)	(0.59)
Diluted		(3.31)	(0.59)
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCXHF9675

Place : Mumbai
Date : 10.05.2022

For and on behalf of the Board of Directors of
Viridis Infrastructure Investment Managers Private Limited

Kalpesh Kikani
Director
DIN : 03534772

Vaibhav Rekhi
Director
DIN : 05159501

Place : Mumbai
Date : 10.05.2022

Viridis Infrastructure Investment Managers Private Limited

Standalone Cash Flow Statement

for the year ended 31 March 2022

(Currency: Indian rupees in hundreds)

	Notes	For the year ended 31 March 2022	For the period from 22 October 2020 to 31 March 2021
Cash flows from operating activities			
Profit / (Loss) before tax		(330.65)	(59.00)
Adjustments for :			
Operating cash flow before working capital changes		(330.65)	(59.00)
(Decrease)/ increase in trade payables		147.50	59.00
Cash generated from/(used in) operations		(183.15)	-
Income taxes paid		-	-
Net cash flows from/(used in) operating activities (A)		(183.15)	-
Cash flows from investing activities			
Net cash flows from/(used in) investing activities (B)		-	-
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company	*5*	-	1,000.00
Net cash flows from/(used in) financing activities (B)		-	1,000.00
Net increase/(decrease) in cash and cash equivalents C=(A+B)		(183.15)	1,000.00
Cash and cash equivalents at the beginning of the year (D)	*3*	1,000.00	-
Cash and cash equivalents at the end of the year (C+D)	*3*	816.85	1,000.00
Significant accounting policies	*2*		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCXHF9675

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
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M.No. 151363
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 10.05.2022

For and on behalf of the Board of Directors of
Viridis Infrastructure Investment Managers Private Limited

Kalpesh Kikani
Director
DIN : 03534772

Vaibhav Rekhi
Director
DIN : 05159501

Place : Mumbai
Date : 10.05.2022

Viridis Infrastructure Investment Managers Private Limited

Statement of Changes in Equity

for the year ended 31 March 2022

(Currency: Indian rupees in hundreds)

A. Equity Share Capital

(1) Current reporting year

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
1,000.00	-	1,000.00	-	1,000.00

(2) Previous reporting year

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
-	-	-	1,000.00	1,000.00

B. Other Equity

(1) Current reporting year

	Reserves and Surplus	
	Retained Earnings	Total
Balance at the beginning of the current reporting year	(59.00)	(59.00)
Total Comprehensive Income / (expenses) for the current year	(330.65)	(330.65)
Balance at the end of the current reporting year	(389.65)	(389.65)

(2) Previous reporting year

	Reserves and Surplus	
	Retained Earnings	Total
Balance at the beginning of the current reporting year	-	-
Total Comprehensive Income / (expenses) for the current year	(59.00)	(59.00)
Balance at the end of the current reporting year	(59.00)	(59.00)

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus.

1. GENERAL INFORMATION

Viridis Infrastructure Investment Managers Private Limited ('the Company') was incorporated on 22 October 2020 with an objective to provide investment management and investment advisory services. The Company has not yet started its operations.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 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 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 standalone 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) Financial instruments

Financial assets and financial liabilities are recognised when a 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 standalone statement of profit and loss.

Financial assets

Classification:

Financials 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).

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.

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 the standalone statement of profit or loss. The net gain or loss recognised in the standalone statement of 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

iii) Financial instruments *(Continued)*

All assets for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 standalone statement of profit and loss.

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 equity instrument.

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.

All liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Defined Benefit Plans

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 standalone statement of changes in equity.

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 standalone statement of profit and loss in the year in which they arise.

v) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurence 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

Advisory fees: Revenue from advisory fees is recognised in profit or loss over time as the services are rendered

vii) Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except where 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.

viii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

ix) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

x) Segment Reporting

The Company is operating in a single reportable segement i.e. investment advisory service. 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.

xi) Earnings per share (EPS)

Basic earnings per share:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the 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.

(Currency: Indian rupees in hundreds)

		As at 31 March 2022	As at 31 March 2021
3	**Cash and cash equivalents**		
	Cash on hand	-	-
	Balance with banks		
	- Current accounts	**816.85**	**1,000.00**
	Total	**816.85**	**1,000.00**

		As at 31 March 2022	As at 31 March 2021
4	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises		
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	Others (Refer Note 4(a)	**206.50**	**59.00**
	Trade payables to related parties	-	-
	Total	**206.50**	**59.00**

Note 4 (a)

Trade Payables ageing schedule

As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	206.50	-	-	-	206.50
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

As at 31st March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	59.00	-	-	-	59.00
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

(Currency: Indian rupees in hundreds)

5 Equity Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
10,000 equity shares of Rs. 10 each	1,000.00	1,000.00
Total	1,000.00	1,000.00
Issued, subscribed and paid up capital		
10,000 equity shares of Rs.10 each fully paid up	1,000.00	1,000.00
Total	1,000.00	1,000.00

5.1 Fully paid equity shares

	Number	Amount
Balance as at 31 March 2020	-	-
Add: Issued during the period	10,000	1,000.00
Balance as at 31 March 2021	10,000	1,000.00
Add: Issued during the period	-	-
Balance as at 31 March 2022	10,000	1,000.00

5.2 Shares held by holding company

	As at 31 March 2022 Amount	As at 31 March 2021 Amount
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited 10,000 (31 March 2021 - 10,000) Equity Shares (including nominee director)	1,000.00	1,000.00
	1,000.00	1,000.00

5.3 Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2022 Number	As at 31 March 2021 Number
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited (100% holding company)	10,000.00	10,000.00

5.4 Details of shareholding of Promoters in the Company

	As at 31 March 2022			As at 31 March 2021		
	No of Shares	% of Total Shares	% Change during the year	No of Shares	% of Total Shares	% Change during the year
Equity Shares of Rs. 10 each fully paid held by						
Piramal Enterprises Limited	10,000.00	100.00%	-	10,000.00	100%	-
Total	10,000.00	100.00%	-	10,000.00	100%	-

Rights, preferences and restrictions attached to shares

Equity shares

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 restrictions on payment of dividend to equity shareholders. On winding up of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Currency: Indian rupees in hundreds)

6	**Other equity**	**As at 31 March 2022**	**As at 31 March 2021**
	Retained earnings	**(389.65)**	**(59.00)**
		(389.65)	**(59.00)**

6.1	**Retained earnings**	**As at 31 March 2022**	**As at 31 March 2021**
	Opening balance	**(59.00)**	-
	Net profit / (loss) for the year	**(330.65)**	**(59.00)**
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-
		(389.65)	**(59.00)**

The amount that 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 entirety. No dividend is declared till date to the shareholders of the Company.

7	**Other Expenses**	**For the year ended 31 March 2022**	**For the period from 22 October 2020 to 31 March 2021**
	Professional fees	**271.65**	-
	Auditors' remuneration (Refer Note 9)		
	- Audit fees	**59.00**	**59.00**
	Total	**330.65**	**59.00**

(Currency: Indian rupees in hundreds)

8 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:

Particulars		**As at 31 March 2022**	**As at 31 March 2021**
Loss attributable to equity holders of the parent for basic and diluted earnings	A	(330.65)	(59.00)
Weighted average number of Equity shares for basic EPS	B	10,000.00	10,000.00
Effect of dilution:			
Weighted average number of Equity shares adjusted for the effect of dilution	C	10,000.00	10,000.00
Earnings per share			
- Basic	A/B	(3.31)	(0.59)
- Diluted	A/C	(3.31)	(0.59)
Nominal value of shares		10.00	10.00

The basic and diluted EPS is same as there are no potential dilutive equity shares.

(Currency: Indian rupees in hundreds)

9 Auditors' remuneration

	As at 31 March 2022	As at 31 March 2021
As auditor		
Statutory audit	59.00	59.00
Tax audit	-	-
Total	**59.00**	**59.00**

10 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Trade payable include Rs. Nil (previous year Rs. Nil) amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED). Under the MSMED which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due there on	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

11 There is no Contingent Liability for the year ended on 31st March 2022.

12 Financial Ratios

Particulars	Basis of Calculation	As at 31 March 2022	As at 31 March 2021	Variance (%)	Remarks
i) Capital to risk-weighted asset ratio (CRAR)	(Tier I Capital + Tier II Capital) / Risk Weighted Assets	74.72%	94.10%	(21)	Increase in Overall Expenses in the current year
ii) Tier I CRAR	Tier I Capital / Risk Weighted Assets	74.72%	94.10%	(21)	Increase in Overall Expenses in the current year
iii) Tier II CRAR	Tier II Capital / Risk Weighted Assets	NA	NA	NA	NA
iv) Liquidity Coverage Ratio	High Quality Liquid Asset Amount / Total Net Cash Flow Amount	NA	NA	NA	NA

(Currency: Indian rupees in hundreds)

13 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification / disclosure.

As per our report of even date attached

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCXHF9675

Place : Mumbai
Date : 10.05.2022

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Viridis Infrastructure Investment Managers Private Limited

Kalpesh Kikani
Director
DIN : 03534772

Vaibhav Rekhi
Director
DIN : 05159501

Place : Mumbai
Date : 10.05.2022

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Viridis Power Investment Managers Private Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements **Viridis Power Investment Managers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st 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 notes to the financial statements including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022, and its losses (financial performance 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 specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility 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 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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 Indian Accounting Standards (Ind AS) prescribed 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 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 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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:

a) 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.

b) 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 Companjes Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls

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system in place and the operating effectiveness of such controls

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

d) 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.

e) 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 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 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.

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c) The Balance Sheet, the Statement of Profit and Loss, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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 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 section 197(16) of the Act, as amended, the company has not paid any remuneration to its directors during the year hence provisions of section 197 of the Act shall not be 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 does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There are no amounts which are 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, 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 its 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 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.

For D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

UDIN: 22151363AJCWZN5448
Place: Mumbai
Date: May 10, 2022

ANNEXURE 'A'
TO THE 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 **Viridis Power Investment Managers Private Limited** on the standalone Ind AS financial statements for the year ended 31st March 2022]

(i) The company does not hold any Property, Plant and Equipment, intangible assets and immovable properties, accordingly, reporting on paragraph 3 (i) of the order is not applicable.

(ii) (a) The company does not have any inventory and hence reporting on paragraph 3 (ii) (a) of the order is not applicable.

(b) During any point of time of the year, the company has not been sanctioned working capital limits from banks or financial institutions and hence reporting on paragraph 3 (ii) (b) of the order is not applicable.

(iii) During the year 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 Partnerships or any other parties and hence reporting on paragraph 3 (iii) of the order is not applicable.

(iv) In our opinion, based on our examination and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 applies, accordingly, paragraph 3 (iv) of the order is not applicable.

(v) In our opinion, based on our examination and according to information and explanation given to us, the company has not accepted any deposits and hence reporting on paragraph 3 (v) of the order is not applicable.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including income-tax and any other statutory dues as applicable to the Company to the appropriate authorities.

(b) There are no dues of income tax which have not been deposited on account of any disputes.

(viii) There are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

(ix) (a) In our opinion, based on our examination and according to information and explanation given to us, the company does not have any loans or other borrowings from any lender and hence reporting on paragraph 3 (ix) (a) of the order is not applicable.

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(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under paragraph 3 (ix) (c) of the Order is not applicable.

(d) No funds are raised by the company during the year and hence, reporting under paragraph 3 (ix) (d) of the Order is not applicable.

(e) The company has not taken any funds from any entity or person during the year and hence reporting on paragraph 3 (ix) (e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on paragraph 3 (ix) (f) of the Order is not applicable.

(x) a. According to the information and explanations given to us and based on our examination of the records of the company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments).

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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 this report.

(c) The company has not received any whistle-blower complaints during the year and hence reporting on paragraph 3 (xi) (c) of the order is not applicable.

(xii) The Company is not a Nidhi Company and accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the company there are no transactions with the related parties to which the provisions of section 188 of the act applies. Further provisions of section 177 of the Act are not applicable to the company.

(xiv) Internal audit is not applicable to the Company; hence paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

(xvii) The company has incurred following cash profit/ (losses) in the financial year and immediately preceding Financial year.

(Amount in Hundreds.)

Particulars	Current F.Y.	P.Y.
Net Profit/(Loss)	(348.60)	(59.00)
Non-Cash Items: - Provision for expenses	147.50	59.00
Cash Losses	(201.10)	-

(xviii) There has been no resignation of statutory auditors during the year.

(xix) 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 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 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 based on our examination of the records of the company and hence reporting on paragraph 3(xx) of the Order is not applicable.

(xxi) The company is not required to prepare consolidated financial statements and hence paragraph 3 (xxi) of the Order is not applicable to the Company.

For D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

UDIN: 22151363AJCWZN5448
Place: Mumbai
Date: May 10, 2022

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **Viridis Power Investment Managers 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 Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Viridis Power Investment Managers Private Limited** ("the Company") as at March 31, 2022, in conjunction with our audit of the 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 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, 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.

Auditors' responsibility

Our responsibility is to express an opinion on the 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 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 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 in 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 control system over financial reporting.

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.

D. DADHEECH & CO. MUMBAI CHARTERED ACCOUNTANTS

A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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 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 D. DADHEECH & CO.
Chartered Accountants
FRN: 101981W

(CHANDRASHEKHAR CHAUBEY)
Partner
Membership No. 151363

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

UDIN: 22151363AJCWZN5448
Place: Mumbai
Date: May 10, 2022

Viridis Power Investment Managers Private Limited

Standalone Balance Sheet

as at 31 March 2022

(Currency: Indian rupees in hundreds)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	3	798.90	1,000.00
Total assets		798.90	1,000.00
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
Trade payables	4		
Other payables	4		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		206.50	59.00
2 Equity			
(a) Equity share capital	5	1,000.00	1,000.00
(b) Other equity	6	(407.60)	(59.00)
Total liabilities and equity		798.90	1,000.00
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached.

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCWZN5448

Place : Mumbai
Date : 10.05.2022

For and on behalf of the Board of Directors of Viridis Power Investment Managers Private Limited

Bipin Singh
Director
DIN : 00058068

Pralhad Kulkarni
Director
DIN : 03388656

Place : Mumbai
Date : 10.05.2022

Viridis Power Investment Managers Private Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(Currency: Indian rupees in hundreds)

	Notes	For the year ended 31 March 2022	For the period from 17 October 2020 to 31 March 2021
Revenue			
Revenue from operations		-	-
Other income		-	-
Total income		-	-
Expenses			
Other expenses	7	348.60	59.00
Total expenses		348.60	59.00
Profit / (Loss) before tax		(348.60)	(59.00)
Less: Tax expenses			
Current tax		-	-
Deferred tax		-	-
		-	-
Profit / (Loss) after tax		(348.60)	(59.00)
Other Comprehensive Income/(Expenses):			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		-	-
- Income tax relating to above items		-	-
		-	-
Total Comprehensive Income / (Expenses) for the year		(348.60)	(59.00)
Earnings per share [nominal value of share Rs. 10]	8		
Basic		(3.49)	(0.59)
Diluted		(3.49)	(0.59)
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCWZN5448

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Viridis Power Investment Managers Private Limited

Bipin Singh
Director
DIN : 00058068

Kulkarni

Pralhad Kulkarni
Director
DIN : 03388656

Place : Mumbai
Date : 10.05.2022

Place : Mumbai
Date : 10.05.2022

Viridis Power Investment Managers Private Limited

Standalone Cash Flow Statement

for the year ended 31 March 2022

(Currency: Indian rupees in hundreds)

	Notes	For the year ended 31 March 2022	For the period from 17 October 2020 to 31 March 2021
Cash flows from operating activities			
Profit / (Loss) before tax		(348.60)	(59.00)
Adjustments for :			
Operating cash flow before working capital changes		(348.60)	(59.00)
(Decrease)/ increase in trade payables		147.50	59.00
Cash generated from/(used in) operations		(201.10)	-
Income taxes paid		-	-
Net cash flows from/(used in) operating activities (A)		(201.10)	-
Cash flows from investing activities			
Net cash flows from/(used in) investing activities (B)		-	-
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company	5	-	1,000.00
Net cash flows from/(used in) financing activities (B)		-	1,000.00
Net increase/(decrease) in cash and cash equivalents C=(A+B)		(201.10)	1,000.00
Cash and cash equivalents at the beginning of the year (D)	3	1,000.00	-
Cash and cash equivalents at the end of the year (C+D)	3	798.90	1,000.00
Significant accounting policies	2		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

D. DADHEECH & CO. 319 Rex Chambers W. H. Marg, Mumbai-1. F.R.N. 101981W M.No. 151363 CHARTERED ACCOUNTANTS

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCWZN5448

Place : Mumbai
Date : 10.05.2022

For and on behalf of the Board of Directors of
Viridis Power Investment Managers Private Limited

Bipin Singh
Director
DIN : 00058068

Pralhad Kulkarni
Director
DIN : 03388656

Place : Mumbai
Date : 10.05.2022

Viridis Power Investment Managers Private Limited

Statement of Changes in Equity

for the year ended 31 March 2022

(Currency: Indian rupees in hundreds)

A. Equity Share Capital

(1) Current reporting year

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
1,000.00	-	1,000.00	-	1,000.00

(2) Previous reporting year

Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
-	-	-	1,000.00	1,000.00

B. Other Equity

(1) Current reporting year

	Reserves and Surplus	
	Retained Earnings	Total
Balance at the beginning of the current reporting year	(59.00)	(59.00)
Total Comprehensive Income / (expenses) for the current year	(348.60)	(348.60)
Balance at the end of the current reporting year	(407.60)	(407.60)

(2) Previous reporting year

	Reserves and Surplus	
	Retained Earnings	Total
Balance at the beginning of the current reporting year	-	-
Total Comprehensive Income / (expenses) for the current year	(59.00)	(59.00)
Balance at the end of the current reporting year	(59.00)	(59.00)

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus.

1. GENERAL INFORMATION

Viridis Power Investment Managers Private Limited ('the Company') was incorporated on 17 October 2020 with an objective to provid investment management and investment advisory services. The Company has not yet started its operations.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions o the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indiai Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
The 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 ar measured at fair values at the end of each reporting period.

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

iii) Financial instruments

Financial assets and financial liabilities are recognised when a 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 th acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value througl profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initia recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit o loss are recognised immediately in standalone statement of profit and loss.

Financial assets

Classification:
Financials 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 th principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive incom (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling th 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 o the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

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. Th 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of th financial instrument.

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 o remeasurement recognised in the standalone statement of profit or loss. The net gain or loss recognised in the standalone statement o profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognise when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividen 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 b measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

iii) Financial instruments *(Continued)*

All assets for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 standalone statement of profit and loss.

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 equity instrument.

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.

All liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 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.

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.

2. **SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

Defined Benefit Plans

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 standalone statement of changes in equity.

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 standalone statement of profit and loss in the year in which they arise.

v) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurence 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

Advisory fees: Revenue from advisory fees is recognised in profit or loss over time as the services are rendered

vii) Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except where 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.

viii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

ix) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

x) Segment Reporting

The Company is operating in a single reportable segement i.e. investment advisory service. 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.

xi) Earnings per share (EPS)

Basic earnings per share:
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the 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.

(Currency: Indian rupees in hundreds)

		As at 31 March 2022	As at 31 March 2021
3	**Cash and cash equivalents**		
	Cash on hand	-	-
	Balance with banks		
	- Current accounts	798.90	1,000.00
	Total	798.90	1,000.00

		As at 31 March 2022	As at 31 March 2021
4	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises		
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	Others (Refer Note 4(a)	206.50	59.00
	Trade payables to related parties	-	-
	Total	206.50	59.00

Note 4 (a)

Trade Payables ageing schedule

As at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	206.50	-	-	-	206.50
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

As at 31st March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	59.00	-	-	-	59.00
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	-	-

(Currency: Indian rupees in hundreds)

5 Equity Share capital

	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
10,000 equity shares of Rs. 10 each	1,000.00	1,000.00
Total	1,000.00	1,000.00
Issued, subscribed and paid up capital		
10,000 equity shares of Rs.10 each fully paid up	1,000.00	1,000.00
Total	1,000.00	1,000.00

5.1 Fully paid equity shares

	Number	Amount
Balance as at 31 March 2020	-	-
Add: Issued during the period	10,000	1,000.00
Balance as at 31 March 2021	10,000	1,000.00
Add: Issued during the period	-	-
Balance as at 31 March 2022	10,000	1,000.00

5.2 Shares held by holding company

	As at 31 March 2022 Amount	As at 31 March 2021 Amount
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited 10,000 (31 March 2021 - 10,000) Equity Shares (including nominee director)	1,000.00	1,000.00
	1,000.00	1,000.00

5.3 Particulars of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2022 Number	As at 31 March 2021 Number
Equity shares of Rs. 10 each fully paid up held by Piramal Enterprises Limited (100% holding company)	10,000.00	10,000.00

5.4 Details of shareholding of Promoters in the Company

	As at 31 March 2022			As at 31 March 2021		
	No of Shares	% of Total Shares	% Change during the year	No of Shares	% of Total Shares	% Change during the year
Equity Shares of Rs. 10 each fully paid held by						
Piramal Enterprises Limited	10,000.00	100.00%	-	10,000.00	100%	-
Total	10,000.00	100.00%	-	10,000.00	100%	-

Rights, preferences and restrictions attached to shares

Equity shares

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 restrictions on payment of dividend to equity shareholders. On winding up of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Currency: Indian rupees in hundreds)

6	**Other equity**	**As at 31 March 2022**	**As at 31 March 2021**
	Retained earnings	**(407.60)**	**(59.00)**
		(407.60)	**(59.00)**

6.1	**Retained earnings**	**As at 31 March 2022**	**As at 31 March 2021**
	Opening balance	**(59.00)**	-
	Net profit / (loss) for the year	**(348.60)**	**(59.00)**
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-
		(407.60)	**(59.00)**

The amount that 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 entirety. No dividend is declared till date to the shareholders of the Company.

7	**Other Expenses**	**For the year ended 31 March 2022**	**For the period from 17 October 2020 to 31 March 2021**
	Professional fees	**289.60**	-
	Auditors' remuneration (Refer Note 9)		
	- Audit fees	**59.00**	**59.00**
	Total	**348.60**	**59.00**

(Currency: Indian rupees in hundreds)

8 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:

Particulars		**As at 31 March 2022**	**As at 31 March 2021**
Loss attributable to equity holders of the parent for basic and diluted earnings	A	**(348.60)**	**(59.00)**
Weighted average number of Equity shares for basic EPS	B	**10,000.00**	**10,000.00**
Effect of dilution:			
Weighted average number of Equity shares adjusted for the effect of dilution	C	**10,000.00**	**10,000.00**
Earnings per share			
- Basic	A/B	**(3.49)**	**(0.59)**
- Diluted	A/C	**(3.49)**	**(0.59)**
Nominal value of shares		**10.00**	**10.00**

The basic and diluted EPS is same as there are no potential dilutive equity shares.

(Currency: Indian rupees in hundreds)

9 Auditors' remuneration

	As at 31 March 2022	As at 31 March 2021
As auditor		
Statutory audit	59.00	59.00
Tax audit	-	-
Total	**59.00**	**59.00**

10 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

Trade payable include Rs. Nil (previous year Rs. Nil) amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED). Under the MSMED which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, who have registered with the competent authorities.

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due there on	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

11 There is no Contingent Liability for the year ended on 31st March 2022.

12 Financial Ratios

Particulars	Basis of Calculation	As at 31 March 2022	As at 31 March 2021	Variance (%)	Remarks
i) Capital to risk-weighted asset ratio (CRAR)	(Tier I Capital + Tier II Capital) / Risk Weighted Assets	74.15%	94.10%	(21)	Increase in Overall Expenses in the current year
ii) Tier I CRAR	Tier I Capital / Risk Weighted Assets	74.15%	94.10%	(21)	Increase in Overall Expenses in the current year
iii) Tier II CRAR	Tier II Capital / Risk Weighted Assets	NA	NA	NA	NA
iv) Liquidity Coverage Ratio	High Quality Liquid Asset Amount / Total Net Cash Flow Amount	NA	NA	NA	NA

(Currency: Indian rupees in hundreds)

13 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification / disclosure.

As per our report of even date attached

For **D. Dadheech & Co.**
Chartered Accountants
Firm's Registration No: 101981W

Chandrashekhar Chaubey
Partner
Membership No: 151363
ICAI UDIN: 22151363AJCWZN5448

Place : Mumbai
Date : 10.05.2022

D. DADHEECH & CO.
319 Rex Chambers
W. H. Marg, Mumbai-1.
F.R.N. 101981W
M.No. 151363
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Viridis Power Investment Managers Private Limited

Bipin Singh
Director
DIN : 00058068

Pralhad Kulkarni
Director
DIN : 03388656

Place : Mumbai
Date : 10.05.2022

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.

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.

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.

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.

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 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

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 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.

(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

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.

(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.

(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 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

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 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 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

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/-.

HEMMO PHARMACEUTICALS PVT. LTD.
114, TURF ESTATE MAHALAXMI
MUMBAI-11

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.

	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.

		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	-	-		-	-	-	-

10.2 Refer Note 49 for the trade receivables hypothecated as security against borrowings.

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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

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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	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
	T O T A L (A+B)	**13,423.89**	15,588.47	10,892.76

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

HEMMO PHARMACEUTICALS PRIVATE LIMITED
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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

		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.

		March 31, 2022	March 31, 2021	April 1, 2020
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

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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
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

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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	
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	
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	
27.2	**Value of Materials Consumed:**		Rupees	%	Rupees	%
	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
27.3	**Value of Packing Materials Consumed:**		Rupees	%	Rupees	%
	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 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
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
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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
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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	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	-

HEMMO PHARMACEUTICALS PVT. LTD.
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Hemmo Pharmaceuticals Private Limited
Notes to Financial Statement for the year ending 31st March, 2022

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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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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

HEMMO PHARMACEUTICALS PVT. LTD.
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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

HEMMO PHARMACEUTICALS PVT. LTD.
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37 Hemmo Pharmaceuticals Private Limited

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	-

HEMMO PHARMACEUTICALS PVT. LTD. 114, TURF ESTATE MAHALAXMI MUMBAI-11.

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**	-

HEMMO PHARMACEUTICALS PVT. LTD.
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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		-	-

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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

	Year ended March 31, 2022	(Rs. in lakhs) 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.

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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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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.

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
Director
DIN-07154673

Amit Bapat
Director
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

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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.

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(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

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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.

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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

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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 DHFL Holdings Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Qualified Opinion

1. We have audited the accompanying Standalone Ind AS financial statements of DHFL Holdings 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

   In our opinion and to the best of our information and according to the explanations given to us, except for the information referred to in the Basis for Qualified Opinion section of our report, 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 (Ind AS) as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

2. *We draw your attention to note no 14 of the Standalone Ind AS Financial Statement whereintheaccounts of the company have been prepared on the basis that the company is a going concern. However, in view of having no operations since the inception of the company, the ability of the company to carry on business "as a going concern" is largely dependent upon the future operations, if any and the availability of substantial financial support.*

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We have 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 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.However because of the matter described in the basis of disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statement.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report including Annexure to Board's Report and Shareholder's Information, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon Our opinion on the Standalone Ind AS 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 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 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 communicate the matter to those charged with governance.

Responsibility of Management for the Standalone Ind AS Financial Statements

4. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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

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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 Standalone IND AS 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.

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

5. 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 these financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 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 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. 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

6. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section 11 of Section 143 of the Act, we give in the "Annexure A" of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As Company does not have any subsidiary, joint venture or associate enterprise, consolidated financial statements is not prepared. Hence Paragraph 3(xxi) of Companies (Auditor's Report) Order (CARO) is not applicable.

7. 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;

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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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, except for the information referred to in the Basis for Qualified Opinion section of our report;

(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 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".

8. 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, 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.

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 it's knowledge and belief, other than as disclosed in the notes 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 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

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from

VATSARA & CO. FRN 111327W CHARTERED ACCOUNTANTS 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

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend is neither declared nor paid during the year by the company.

9. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration is paid by the company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 25th May 2022
UDIN: 22039894AKRURA7607

VATSARAJ & CO. ★ FRN 111327W ★ CHARTERED ACCOUNTANTS

Annexure 'A' to the Independent Auditors' Report on Standalone Ind AS financial statements of DHFL Holdings Limited as on 31st March 2022, referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date, we report the following:

(i) The Company does not have any fixed asset. Therefore, Para 3 (i) of the Order is not applicable to the Company

(ii) The Company does not have and inventories Therefore, Para 3 (ii) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanation given to us and according to the records of the Company as examined by us, the company has not provided loans or advances in nature of loan or stood guarantee or provided security to any other entity. Therefore, Para 3(iii)(a), (c), (d), (e) and (f) are not applicable to the Company.

(b) According to the information and explanation given to us and according to the records of the Company as examined by us, the company has not provided guarantee or given security Therefore, Para 3(iii)(b) is not applicable to the Company.

(iv) In our opinion and according to the explanations given to us, the Company has not granted any loans, or made any investment or not provided any guarantee and securities; hence compliance of the provisions of Section 185 and 186 of the Act is not applicable.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit. Therefore, Para 3 (v) of the Order is not applicable to the Company

(vi) Company being in service industry, maintenance of Cost records is not applicable. Therefore, Para 3 (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) According to the information and explanation given to us and according to the records of the Company as examined by us, undisputed statutory dues including provident fund,employees' state insurance,income tax, custom duty, cess, goods and services tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. No undisputed amounts payable were outstanding as at March 31, 2022 for a period of more than six months from the date on which they become payable.

(b) According to the information and explanation given to us and based on the records of the Company examined by us, there are no disputed dues which have not been deposited as on March 31, 2022.

(viii) According to the information and explanation given to us and based on the records of the Company examined by us, there are no transactions to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanation given to us and based on the records of the Company examined by us, the Company has not defaulted on repayment of any Loan or Interest during the year.

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

(b) According to the information and explanation given to us and based on the records of the Company examined by us, Company has not been declared willful defaulter by any bank or financial institution or other lenders.

(c) According to the information and explanation given to us and based on the records of the Company examined by us, Company has not taken any term loan.

(d) According to the information and explanation given to us and based on the records of the Company examined by us, funds raised on short term basis are utilized for short term purpose only.

(e) According to the information and explanation given to us and based on the records of the Company examined by us, Company does not have any Subsidiary, Associates or Joint Venture

(f) According to the information and explanation given to us and based on the records of the Company examined by us, No loans were raised during the year by way of pledge of securities, therefore Para 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanation given to us and based on the records of the Company examined by us, during the year Company has not raised any money by way of initial public offering or other public offering. Therefore, Para 3 (x)(a) of the Order is not applicable to the Company

(b) According to the information and explanation given to us and based on the records of the Company examined by us, during the year Company has not raised any money by way of preferential allotment or private placement of shares or convertible debentures. Therefore, Para 3 (x)(b) of the Order is not applicable to the Company

(xi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported, during the year. Therefore, Para 3 (xi) of the Order is not applicable to the Company

(xii) In our opinion and according to information and explanations given to us, Company is not a Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per the provision of the companies act 2013

(b) The company did not have an internal audit system for the period under audit.

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

(xv) According to the information and explanation given to us and based on our verification of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) (a) According to the information and explanation given to us the company is in process of getting itself registered under section 45-IA of Reserve Bank of India Act, 1934.

(b) According to the information and explanation given to us and based on our verification of the records of the Company, During the year no Non Banking Financial or Housing Finance activities are conducted.

(c) According to the information and explanation given to us the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanation given to us, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) According to the information and explanation given to us and based on our verification of the records of the Company, Company has incurred cash losses during the Financial year INR 376.71 Hundred and preceding financial year INR 764.72 Hundred

(xviii) According to the information and explanation given to us and based on our verification of the records of the Company, there are no resignation of the statutory auditor during the year.

(xix) In our opinion and According to the information and explanation given to us and based on the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS Financial Statements, the auditor's knowledge of the Board of Directors and management plans, material uncertainty exists as on the date of the audit report that company might not be 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) According to the information and explanation given to us and based on our verification of the records of the Company, Section 135 of The Companies Act 2013 is not applicable to the Company. Therefore, para 3(xx) of the order is not applicable to the Company.

(xxi) According to the information and explanation given to us and based on our verification of the records of the Company, Consolidated financial statement is not prepared as there is no subsidiary, joint venture or associate enterprise. Therefore para 3(xxi) of the order is not applicable.

For Vatsaraj& Co.
Chartered Accountants
FRN: 111327W

Dr.CA B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date:25th May 2022

VATSARAJ & CO. CHARTERED ACCOUNTANTS FRN 111327W

ANNEXURE 'B' to Independent Auditors' Report on the Standalone Ind AS Financial Statement of DHFL Holdings Limited, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

We have audited the internal financial controls over financial reporting of DHFL Holdings 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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, issued by ICAI and 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 Institute of Chartered Accountants of India. 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.

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial reporting system with reference to standalone Ind AS financial statement of the Company.

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 Ind AS 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 Ind AS 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 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, 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 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vatsaraj& Co.
Chartered Accountants
FRN: 111327W

Dr.CA B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date:25th May 2022

DHFL HOLDINGS LIMITED

Balance Sheet as at 31st March, 2022

(₹ Hundred)

	Particulars	Note	As at 31.03.22	As at 31.03.21
I	Assets			
1	Financial Assets			
(a)	Cash and Cash Equivalent	3	111.63	133.16
(b)	Bank Balance other than (a) above		-	-
(c)	Derivative Financial Instrument		-	-
(d)	Receivables		-	-
	(I)Trade Receivable		-	-
	(II) Other Receivable		-	-
(e)	Loans		-	-
(f)	Investments		-	-
(g)	Other Financial Assets		-	-
2	Non-Financial Assets			
(a)	Inventories		-	-
(b)	Current Tax Assets (Net)		-	-
(c)	Deferred Tax Assets (Net)		-	-
(d)	Investment Property		-	-
(e)	Biological Assets other than Bearer Plants		-	-
(f)	Property Plant and Equipment		-	-
(g)	Capital WIP		-	-
(h)	Intangible Assets under development		-	-
(i)	Goodwill		-	-
(j)	Other Intangible Assets		-	-
(k)	Other Non Financial Assets (to be specified)		-	-
	Total Assets		**111.63**	**133.16**
II	Liabilities and Equity			
1	Financial Liabilities			
(a)	Derivative Financial Instrument			
(b)	Payables	4		
	(I)Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		761.35	672.39
(c)	Debt Securities		-	-
(d)	Borrowings (Other than Debt Securities)	5	266.21	-
(e)	Deposits		-	-
(f)	Subordinated Liabilities		-	-
(g)	Other financial liabilities		-	-
2	Non-Financial Liabilities			
(a)	Current tax liabilities (Net)		-	-
(b)	Provisions		-	-
(c)	Deferred tax liabilities (Net)		-	-
(d)	Other non-financial liabilities(to be specified)		-	-
3	EQUITY			
(a)	Equity Share capital	6	1,000.00	1,000.00
(b)	Other Equity	7	(1,915.94)	(1,539.23)
	Total Liabilities and Equity		**111.63**	**133.16**
	Significant accounting policies	2		

As per our report of even date
For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

DHFL Holdings Limited MUMBAI

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 08957171

Mr. Bipin Singh
Director
DIN : 00058068

Place: Mumbai
Date: 25th May, 2022

Internal Use - Confidential

DHFL HOLDINGS LIMITED

Profit & loss account for the year ended 31st March, 2022

(₹ Hundred)

	Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
	Revenue from operations			
(i)	Interest Income		-	-
(ii)	Dividend Income		-	-
(iii)	Renatal Income		-	-
(iv)	Fees and Commission Income		-	-
(v)	Net gain on fair value changes		-	-
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Sale of products(including Excise Duty)		-	-
(viii)	Sale of services		-	-
(ix)	Others (to be specified)		-	-
(I)	Total Revenue from operations		-	-
(II)	Other Income (to be specified)		-	-
(III)	Total Income (I+II)		-	-
	Expenses			
(i)	Finance Costs		16.21	-
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category		-	-
(v)	Impairment on financial instruments		-	-
(vi)	Cost of materials consumed		-	-
(vii)	Purchases of Stock -in -trade		-	-
(viii)	Changes in Inventories of finished goods, stock -in - trade and work -in - progress		-	-
(ix)	Employee Benefits Expenses		-	-
(ix)	Depreciation , amortization and impairmen		-	-
(x)	Others expenses (to be specified)	8	360.50	764.72
(IV)	Total Expenses (IV)		376.71	764.72
(V)	Profit / (loss) before exceptional items and tax (III - IV)		(376.71)	(764.72)
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		(376.71)	(764.72)
(VIII)	Tax Expenses		-	-
	(a) Current Tax		-	-
	(b) Deferred Tax		-	-
(IX)	Profit / (loss) for the period from continuing operations(VII -VIII)		(376.71)	(764.72)
(X)	Profit/(loss) from discontinued operations			
(XI)	Tax Expense of discontinued operations			
(XII)	Profit/(loss) from discontinued operations(After tax) (X -XI)		-	-
(XIII)	Profit/(loss) for the period (IX+XII)		(376.71)	(764.72)
(XIV)	Other Comprehensive Income			
	(A)			
	(i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B)			
	(i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-
(XV)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		(376.71)	(764.72)
	Paid-up Equity Share Capital (Face value ₹ 10)		1,000.00	1,000.00
(XVI)	Earnings per equity share (for continuing operations)			
	Basic (₹)		(3.77)	(7.65)
	Diluted (₹)		(3.77)	(7.65)
(XVII)	Earnings per equity share (for discontinued operations)			
	Basic (₹)			-
	Diluted (₹)			-
(XVIII)	Earnings per equity share (for continuing and discontinued operations)	9		
	Basic (₹)		(3.77)	(7.65)
	Diluted (₹)		(3.77)	(7.65)

See accompanying notes to the financial statements

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

Place: Mumbai
Date: 25th May, 2022

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

DHFL Holdings Limited MUMBAI

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 08957171

Mr.Bipin Singh
Director
DIN : 00058068

DHFL HOLDINGS LIMITED

Cash Flow Statement for the Year Ended 31st March 2022

(₹ Hundred)

	For the year ended 31.03.2022		For the year ended 31.03.2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax		(376.71)		(764.72)
Adjustments for:				
Interest Paid		16.21		
Operating Profit before Working capital changes		(360.50)		(764.72)
Changes in Working capital				
Other Financial Liabilities	88.96		572.39	
Other Financial Assets			-	
Working Capital changes		88.96		572.39
Cash generated from operations during the year		(271.54)		(192.33)
Net Cash From Operating Activities		(271.54)		(192.33)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Current Investments not considered as Cash or cash equivalents				
Investments in Equity Shares		-	-	-
Net Cash used in Investing Activities		-		-
C CASH FLOW FROM FINANCING ACTIVITIES				
Interet Paid			-	
Loan received/(paid) from Holding Company	250.00	250.00	-	-
Net Cash generated From / (Used In) Financing Activities		250.00		-
Net Increase/ (Decrease) in Cash Equivalents		(21.54)		(192.33)
Cash and Cash Equivalents at the beginning of the year		133.16		325.49
Cash and Cash Equivalents at the close of the year		111.63		133.16

This is the Cash Flow referred to in our Report of even date.
Negative Figure (-) represents Cash Outflow.

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

Place: Mumbai
Date: 25th May, 2022

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 08957171

Mr. Bipin Singh
Director
DIN : 00058068

DHFL HOLDINGS LIMITED

Statement of Changes in Equity for the Period ended 31st March '22

A Equity Share Capital

Current Period

(₹ Hundred)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of reporting period
10,000 Equity Shares of ₹ 10/- each fully paid up					
AS at 31st March 2021	1,000.00	-	-	-	1,000.00
AS at 31st March 2022	1,000.00	-	-	-	1,000.00

B Other Equity

(₹ Hundred)

	Reserves & Surplus		
Partiulars	Retained Earnings	Other Comprehensive Income	Total
As at 1st April'20	(774.51)	-	(774.51)
Profit/(Loss) for the Year Ended	(764.72)	-	(764.72)
As at 31st March'21	**(1,539.23)**	-	(1,539.23)
As at 1st April'21	(1,539.23)	-	(1,539.23)
Profit/(Loss) for the Year Ended	(376.71)	-	(376.71)
As at 31st March'22	**(1,915.94)**	-	**(1,915.94)**

As per our report of even date
For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

Place: Mumbai
Date: 25th May, 2022

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 08957171

Mr.Bipin Singh
Director
DIN : 00058068

DHFL Holdings Limited MUMBAI

DHFL HOLDINGS LIMITED

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the Period ended 31st March, 2022

1 CORPORATE INFORMATION

DHFL Holdings Ltd.(DHL) is wholly owned subsidiary company of Dewan Housing finance Corporation Limited and has been incorporated on 28th September 2018 under the provisions of Companies Act, 2013. DHL has been incorporated to carry on the business/businesses of holding and Investment Company, to buy, underwrite, invest in, acquire, hold, deal in and trade in shares, stocks, debentures, debenture-stock, bonds, obligations and securities of any kind of companies or partnership firms or body corporate, whether in India or elsewhere in accordance with the Reserve Bank of India Act, 1934 and other applicable statutory and legal provisions. DHL has registered office in Mumbai.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements :

a) The Company has adopted Ind AS standards effective from date of incorporation. All applicable Ind AS have been applied consistently wherever required.

b) The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

c) These financial statements have been prepared on a going concern basis. The Company is in the process of raising funds by way of equity and borrowings from holding Company

d) The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

e) Amounts in the financial statements are presented in ₹, unless otherwise stated.

f) Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.

2.2 Revenue Recognition :

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Revenue is recognised when there is reasonable certainty as to measurement and ultimate realization of the same.

2.3 Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I)Financial Asset:

Initial recognition and measurement :

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss,transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement : For the purpose of subsequent measurement financial assets are classified as measured at: • Amortised cost • Fair value through profit and loss (FVTPL) • Fair value through other comprehensive income (FVTOCI).

Financial assets at fair value through profit or loss (FVTPL) : Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

Equity Instruments : All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

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2.4 Financial Liability

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial liabilities at amortized cost: Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. The company is classifying the following under amortized cost. (1)Borrowings from banks (2) Borrowings from others (3)Trade payables (4) Other financial liabilities.

Derecognition: A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

2.5 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 Impairment of Assets :

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the stimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

2.7 Earnings 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.

2.8 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is virtual certainty of realization in future.

2.9 Provisions, Contingent Liability and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote , no provision or disclosure is made. Contingent assets are disclosed where an inflow of economic benefits is probable.

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DHFL HOLDINGS LIMITED

3 **Cash and Cash Equivalent**

(₹ Hundred)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Cash on hand	-	-
(b) Balances with Banks in Current Accounts	111.63	133.16
Total Cash & Cash Equivalents	111.63	133.16

4 **Payables**

(₹ Hundred)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	761.35	672.39
Total Payable	761.35	672.39

Ageing of Other Payable	As at 31.03.2022	As at 31.03.2021
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Less than 1 year	335.85	672.39
1 to 2 years	425.50	-
2 to 3 years	-	-
More than 3 years	-	-
Total	761.35	672.39

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

Trade payables are recognised at their original invoice amounts which represents their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

5 **Brrowings (Other than Debt Securities)**

(₹ Hundred)

Particulars	March 31, 2022				March 31, 2021			
	At Amortised Cost	Fair Value through profit/ loss	Designated at Fair Value through profit/ loss	Total	At Amortised Cost	Fair Value through profit/ loss	Designated at Fair Value through profit/ loss	Total
Unsecured								
Short Term borrowings from a Associate Company	266.21	-	-	266.21	-	-	-	-
Total (A)	266.21	-	-	266.21	-	-	-	-
Borrowings in India	266.21	-	-	266.21	-	-	-	-
Borrowings in Outside India	-	-	-	-	-	-	-	-
Total (B)	266.21	-	-	266.21	-	-	-	-

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6 **Equity Share capital**

(₹ Hundred)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of reporting period
Authorised					
1,00,000 Equity Shares of ₹ 10/- each	10,000.00	-	-	-	10,000.00
	10,000.00	**-**	**-**	**-**	**10,000.00**
Issued, Subscribed and Paid up					
10,000 Equity Shares of ₹ 10/- each fully paid up	10,000.00	-	-	-	10,000.00
	10,000.00	**-**	**-**	**-**	**10,000.00**

The Company at present has one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company has not declared or paid any dividend.

(₹ Hundred)

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning	10,000.00	1,000.00	10,000.00	1,000.00
Add: Shares issued during the year	-	-	-	-
Equity shares at the end	10,000.00	1,000.00	10,000.00	1,000.00

Details of shareholders holding more than five percent equity shares in the Company and by the Promoters are as under:

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares	% holding	No. of shares	% holding
Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Ltd.) (Holding Company)	10,000	100.00	10,000	100.00
Total	**10,000**	**100.00**	**10,000**	**100.00**

7 **Other Equity**

Refer to the statement of changes in equity for movement in Other equity.

8 **Other Expenses**

(₹ Hundred)

Particulars	For the year ended 31.03.22	For the year ended 31.03.21
(a) Auditor's Remuneration	100.00	100.00
(b) Bank Charges	21.54	54.22
(c) Filing Fees	32.00	252.00
(d) Professional fees	157.50	291.00
(e) GST Expenses	46.35	67.50
(f) Miscellaneous Expenses	3.11	-
Total Other expenses	**360.50**	**764.72**

9 **Earning Per Share**

(₹ Hundred)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Profit/(Loss) after tax as per statement of profit and loss	(376.71)	(764.72)
Net Profit attributable to equity shareholders	(376.71)	(764.72)
No. of Equity shares (Number)	10,000.00	10,000.00
Weighted Average No. of Equity Shares	10,000.00	10,000.00
Nominal value of Equity Shares (₹)	10	10
Earning Per Share (₹) :		
Basic	(3.77)	(7.65)
Diluted	(3.77)	(7.65)

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10 **Related parties transactions**

As per Indian Accounting Standard (Ind AS 24) on " Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transactions have taken place during the year:

1) <u>COMPANIES</u>

(i) <u>Holding Company</u>

(a) Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Limited)

<u>(ii) KEY MANAGEMENT PERSONNEL, DIRECTOR</u>

(a) Mr. Pradeep Atmaram Sawant, Director (wef, 11.11.2020)

(b) Mr. Bipin Singh, Director (wef 08.11.2021)

<u>(iii) Enterprises over which KMP are able to exercise significant influence</u>

(a) DHFL Advisory & Investments Private Limited

(b) DHFL Changing Lives Foundation

(c) Piramal Consummer Products Private Limited

(d) PEL Finhold Private Limited

(e) Viridis Power Managers Private Limited

(f) Piramal Systems & Technologies Private Limited

(g) Piramal Investment Advisory Services Private Limited

(h) Providian Technology Services Private Limited (under liquidition)

B) Details of transactions during the Period ended 31st March, 2022

(₹ Hundred)

Details of Transactions	Associates	
	For the year ended 31.03.2022	For the year ended 31.03.2021
Interest on loan	16.21	-
Other Payable	250.00	-
Outstanding balance as on 31.3.2022	266.21	-

11 **Audit Fees**

(₹ Hundred)

Particulars	As at 31.03.2022	As at 31.03.2021
Audit Fees	100.00	100.00
Total Audit Fees	**100.00**	**100.00**

12 Deferred Tax Assets not recognised as a matter of prudence.

13 Contingent Liability : NIL

14 The Board of Directors is in the process of exploring business opportunities, evaluating proposals to revive business of the Company. The Company plans to raise funds by way of equity and borrowings from the holding Company. In the meantime, company intends to carry out the activity of investment in shares and securities in accordance with the Reserve Bank of India Act, 1934 and other applicable laws. Hence, the financial statements are prepared on a going concern basis

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Notes forming part of the Financial Statements

Note: 15

FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A **Accounting classification**

The carrying value of financial instruments by categories are as follows:

(₹ Hundred)

	March 31, 2022			March 31, 2021		
Particulars	At carrying Value	Fair Value through profit or loss	Amortised Cost	At carrying Value	Fair Value through profit or loss	Amortised Cost
Financial assets						
Cash and cash equivalents	-			-		
Others	111.63	-	-	133.16	-	-
Investments:						
Investment in associates / Joint ventures	-	-	-	-	-	-
	111.63	-	-	**133.16**	-	-
Financial liabilities						
Borrowings	266.21	-	-	-	-	-
Trade Payable	761.35	-	-	672.39	-	-
Other financial liability	-			-		
	1,027.56	-	-	**672.39**	-	-

There have been no transfers between Level 1 and Level 2 during the year.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
Note 15 Cont'd

B Measurement of fair values

Valuation techniques and significant unobservable inputs

The Company uses the following hierarchy for determining and disclosing the fair value of financial

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair
Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity shares	The Investments measured at fair value and falling under fair value hierarchy	Not applicable	Not applicable
Unquoted debentures	The Investment made in unquoted	Not applicable	Not applicable
Mutual Funds	The Fair values of investments in Mutual	Not applicable	Not applicable

The following methods and assumptions were used to estimate the fair value

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade

The fair value of the financial instruments that are not traded in an active market is determined

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Note 15 Cont'd
Financial instruments – Fair values

C **Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:
Credit risk
Liquidity risk and
Market risk

Risk management framework

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1 **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

Financial instruments affected by market risk include FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

2 **Equity price risk**

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Company's investment in it's group company - DHFL Pramarica Life Insurance Company Limited, which is non-listed, is significant. But being the startegic investment, company is not enfluenced by equity price risk

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities from its other financial instruments

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's board of directors. Investments of surplus funds are made only with approval of Board of directors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities

Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2022 and March 31, 2021.

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16 **Micro, small and medium enterprises disclosure**

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act).

	Particulars	As on 31-Mar-2022	As on 31-Mar-2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi)	The amount of further interest due and payable even	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

17 **Details of Loans and Investments as required u/s 186(4) of Companies Act, 2013:-**

1. Loans and advances in the nature of loans to related parties - Nil
2. Gurantees given by the Company in respect of loans as on 31st Mar 2022 - Nil

18 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") for the Corporate Insolvency resolution process of Dewan Housing Finance Corpration Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. Pursuant to the Resolution Plan, PCHFL has obtained control over DHFL and its subsidiaries by virtue of holding 100% shareholding and subsequently, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date). The Resolution Plan was filed with the respective Registrar of Companies on September 30, 2021 giving effect to the said merger.

19 **Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ Hundred)

	As on 31-Mar-2022			As on 31-Mar-2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	-	-	-	-	-	-
Bank Balances other than cash and cash equivalent	111.63		111.63	133.16	-	133.16
Receivables						
(i) Trade receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Other Financial assets	-	-	-	-	-	-
Sub total	**111.63**	-	**111.63**	**133.16**	-	**133.16**
Non-financial assets						
Non current Tax assets (Net)	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-
Property, Plant and Equipment	-	-	-	-	-	-
Other Intangible assets	-	-	-	-	-	-
Other Non-financial assets	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
Total Assets	**111.63**	-	**111.63**	**133.16**	-	**133.16**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	-	-
Payables						
Trade payables	761.35		761.35	672.39		672.39
Borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other Financial liabilities	266.21	-	266.21	-	-	-
Sub total	**1,027.56**	-	**1,027.56**	**672.39**	-	672.39
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
EQUITY						
Equity Share Capital	-	1,000.00	1,000.00	-	1,000.00	1,000.00
Other equity	-	(1,915.94)	(1,915.94)	-	(1,539.23)	(1,539.23)
Sub total	-	**(915.94)**	**(915.94)**	-	**(539.23)**	**(539.23)**
Total Liabilities and equity	**1,027.56**	**(915.94)**	**111.63**	**672.39**	**(539.23)**	**133.16**

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20 **Ratio as per the Schedule III requirements**

i) Capital to risk-weighted assets ratio (CRAR)- Stock of High Quality Liquid Assets divided by Expected cash outflows for 30 days

Particulars	31-Mar-2022	31 March 2021
High Quality Liquid Assets	111.63	133.16
Total net Cashflow amounts	1,027.56	672.39
Ratio	11%	20%
% Change from previous period/ year	(82.30%)	

ii) Tier I CRAR

Particulars	31-Mar-2022	31-Mar-2021
Net owned fund	(915.94)	(539.23)
Total risk weighted assets	-	-
Ratio	0.00%	0.00%
% Change from previous period/ year	0.00%	

iii) Tier II CRAR

Particulars	31-Mar-2022	31-Mar-2021
Aggregate Tier II Capital	-	-
Total risk weighted assets	-	-
Ratio	0.00%	0.00%
% Change from previous period/ year	0.00%	

iv) Liquidity Coverage Ratio

Particulars	31-Mar-2022	31-Mar-2021
High Quality Liquid Assets	111.63	133.16
Total net Cashflow amounts for next 30 days	909.56	554.39
Ratio	12.27%	24.02%
% Change from previous period/ year	(95.72%)	

21 **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 charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii) Details of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 are as follows:

Nature of transactions with struck-off Company	Name of Struck off comapany	Balance outstanding amounts in consideration as on 31 March 2022	Balance outstanding amounts in consideration as on 31 March 2021	Relationship with the Struck off company, if any, to be disclosed
Investment in Securities		-	-	Not Applicable
Receivable		-	-	Not Applicable
Payables		-	-	Not Applicable
Shares held by struckofcompany		-	-	Not Applicable
Other outstanding balance		-	-	Not Applicable

iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period.

v) The Company have not advanced or loaned or invested funds to any other person (s)or entity (ies), 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 on behalf of the Ultimate Beneficiaries.

vi) The Company have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) 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 Funding Party (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company have not had 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.

viii) The Title deeds for all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

22 **Foreseeable losses**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Company has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

23 **Other matters**

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Company for the year.

24 **Previous year's figures**

The previous year's figures have been regrouped and reclassified.

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 39894
Place: Mumbai
Date: 25th May, 2022

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 08957171

Mr. Bipin Singh
Director
DIN : 00058068

DHFL Holdings Limited MUMBAI

Vatsaraj & Co. (Regd.)
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Members of DHFL InvestmentsLimited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

1. We have audited theaccompanying Standalone Ind AS financial statements of DHFL Investments 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 Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

   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 to 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 (Ind AS) as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We have 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 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 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 we have obtained is sufficient and appropriate to provide a basis for opinion.

Emphasis of Matter

3. *During the year, the Company has written back the Compulsory Convertible Debentures and interest thereon issued to Wadhawan Global Capital Private Limited (WGC), based on the resolution duly approved by the National Company Law Tribunal (NCLT) with respect to the takeover of the Dewan Housing Corporation Limited by Piramal Capital and Housing Finance Limited (PCHFL). WCG has contested the NCLT order, however based on the legal advice there is strong merit of the case in favour of PCHFL. Our opinion is not modified in respect of this matter.*

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report including Annexure to Board's Report and Shareholder's Information, but does not include the 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 communicate the matter to those charged with governance.

Responsibility of Management for the Financial Statements

5. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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

VASARAJ & CO.
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CHARTERED ACCOUNTANTS

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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether theStandalone 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 these financial statements.

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

   - Identify and assess the risks of material misstatement of the 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 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 management.

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- 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.

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

7. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub-section 11 of Section 143 of the Act, we give in the "Annexure A" of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As the Company does not have any subsidiary, joint venture or associate enterprise, consolidated financial statements is not prepared. Hence Paragraph 3(xxi) of Companies (Auditor's Report) Order (CARO) is not applicable.

8. 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;

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(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian 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 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separateReport in "Annexure B".

9. 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, 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.

ii. The Company did not have any long-term contracts includingderivative 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 its knowledge and belief, other than as disclosed in the notes 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 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

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes 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

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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

(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend is neither declared nor paid during the year by the Company.

10. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, no remuneration is paid by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Vatsaraj& Co.
Chartered Accountants
FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M. No. 039894

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 25th May 2022
UDIN:22039894AKRUWB2688

Annexure 'A' to the Independent Auditors' Report on Standalone Ind AS financial statements of DHFL Investments Limited as on 31st March 2022, referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date, we report the following:

(i) The Company does not have any fixed asset. Therefore, Para 3 (i) of the Order is not applicable to the Company

(ii) The Company does not have and inventories Therefore, Para 3 (ii) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanation given to us and according to the records of the Company as examined by us, the company has not provided loans or advances in nature of loan or stood guarantee or provided security to any other entity. Therefore, Para 3(iii)(a), (c), (d), (e) and (f) are not applicable to the Company.

(b) According to the information and explanation given to us and according to the records of the Company as examined by us, the company has not provided guarantee or given security. Therefore, Para 3(iii)(b) is not applicable to the Company.

(iv) In our opinion and according to the explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit. Therefore, Para 3(v) of the Order is not applicable to the Company

(vi) Company being in service industry, maintenance of Cost records is not applicable.Therefore, Para 3 (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) According to the information and explanation given to us and according to the records of the Company as examined by us, undisputed statutory dues including provident fund,employees' state insurance,income tax, custom duty, cess, goods and services tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. No undisputed amounts payable were outstanding as at March 31, 2022 for a period of more than six months from the date on which they become payable.

(b) According to the information and explanation given to us and based on the records of the Company examined by us, there are no disputed dues which have not been deposited as on March 31, 2022.

(viii) According to the information and explanation given to us and based on the records of the Company examined by us, there are no transactions to be recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanation given to us and based on the records of the Company examined by us, the Company hasnot defaulted on repayment of any Loan or Interest during the year.

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(b) According to the information and explanation given to us and based on the records of the Company examined by us, Company has not been declared willful defaulter by any bank or financial institution or other lenders.

(c) According to the information and explanation given to us and based on the records of the Company examined by us, Company has not taken any term loan.

(d) According to the information and explanation given to us and based on the records of the Company examined by us, funds raised on short term basis are utilized for short term purpose only.

(e) According to the information and explanation given to us and based on the records of the Company examined by us, during the year the Company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries or joint ventures, therefore Para 3(ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanation given to us and based on the records of the Company examined by us, No loans were raised during the year by way of pledge of securities, therefore Para 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanation given to us and based on the records of the Company examined by us, during the year Company has not raised any money by way of initial public offering or other public offering. Therefore, Para 3 (x)(a) of the Order is not applicable to the Company

(b) According to the information and explanation given to us and based on the records of the Company examined by us, during the year Company has not raised any money by way of preferential allotment or private placement of shares or convertible debentures. Therefore, Para 3 (x)(b) of the Order is not applicable to the Company

(xi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported, during the year. Therefore, Para 3 (xi) of the Order is not applicable to the Company

(xii) In our opinion and according to information and explanations given to us, Company is not a Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company

(xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per the provision of the companies act 2013

(b) The Company did not have an internal audit system for the period under audit.

(xv) According to the information and explanation given to us and based on our verification of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.

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(xvi) (a) According to the information and explanation given to us and based on the legal opinion, the company is not required to registered under section 45-IA of Reserve Bank of India Act, 1934.

(b) According to the information and explanation given to us and based on our verification of the records of the Company, During the year no Non-Banking Financial or Housing Finance activities are conducted.

(c) According to the information and explanation given to us the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanation given to us, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) According to the information and explanation given to us and based on our verification of the records of the Company, the Company has incurred cash losses during the Financial year INR 3.72 Lakhs and preceding financial year INR 6.26 Lakhs.

(xviii) According to the information and explanation given to us and based on our verification of the records of the Company, there are no resignation of the statutory auditor during the year

(xix) In our opinion and According to the information and explanation given to us and based on the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, material uncertainty exists as on the date of the audit report that company might not be 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) According to the information and explanation given to us and based on our verification of the records of the Company, Section 135 of the Companies Act, 2013 is not applicable to the company. Therefore, para 3(xx) of the order is not applicable to the Company.

(xxi) According to the information and explanation given to us and based on our verification of the records of the Company, Management Certified Accounts are received for the Joint Venture which is consolidated and No accounts are received for the Associated enterprise, hence we would not be able to give any comments if any adverse comments in the CARO 2020 of the Joint venture and Associated Enterprise.

For Vatsaraj& Co.
Chartered Accountants
FRN: 111327W

Dr.CA B. K. Vatsaraj
Partner
M. No. 039894

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Place: Mumbai
Date:25th May 2022

ANNEXURE 'B' to Independent Auditors' Report on the Standalone Ind AS Financial Statement of DHFL Investments Limited, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" sect
ion of our report of even date.

We have audited the internal financial controls over financial reporting of DHFL Investments 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 management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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, issued by ICAI and 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 Institute of Chartered Accountants of India. 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

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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 unauthorized 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.

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vatsaraj& Co.
Chartered Accountants
FRN: 111327W

CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 25th May 2022

DHFL INVESTMENTS LIMITED

Balance Sheet as at 31st March, 2022

Amount in (₹ Lakh)

	Particulars	Notes	As at 31.03.22	As at 31.03.21
I	**Assets**			
1	**Financial Assets**			
(a)	Cash and Cash Equivalent	3	4.51	5.54
(b)	Bank Balance other than (a) above		-	-
(c)	Derivative Financial Instrument		-	-
(d)	Receivables			
	(I)Trade Receivable		-	-
	(II) Other Receivable		-	-
(e)	Loans		-	-
(f)	Investments	4	102,002.25	149,167.88
(g)	Other Financial Assets			
	Security Deposit		1.50	1.50
2	**Non-Financial Assets**			
(a)	Inventories		-	-
(b)	Current Tax Assets (Net)		-	-
(c)	Deferred Tax Assets (Net)		-	-
(d)	Investment Property		-	-
(e)	Biological Assets other than Bearer Plants		-	-
(f)	Property Plant and Equipment		-	-
(g)	Capital WIP		-	-
(h)	Intangible Assets under development		-	-
(i)	Goodwill		-	-
(j)	Other Intangible Assets		-	-
(k)	Other Non Financial Assets (to be specified)		-	-
	Total Assets		**102,008.26**	**149,174.92**
II	**Liabilities and Equity**			
1	**Financial Liabilities**			
(a)	Derivative Financial Instrument			
(b)	Payables		-	-
	(I)Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises			
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5	6.59	4.02
(c)	Debt Securities	6	-	11.21
(d)	Borrowings (Other than Debt Securities)	7	-	-
(e)	Deposits		-	-
(f)	Subordinated Liabilities		-	-
(g)	Other financial liabilities	8	0.25	0.12
2	**Non-Financial Liabilities**			
(a)	Current tax liabilities (Net)		-	-
(b)	Provisions		-	-
(c)	Deferred tax liabilities (Net)		-	-
(d)	Other non-financial liabilities(to be specified)		-	-
3	**EQUITY**			
(a)	Equity Share capital	9	10,125.00	10,125.00
(b)	Other Equity	10	91,876.42	139,034.57
	Total Liabilities and Equity		**102,008.26**	**149,174.92**
	Significant accounting policies	2		

As per our report of even date
For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 039894

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 25/5/2022

For and behalf of the Board of Directors

Mr. Jairam Sridharan
Director
DIN : 05165390

Mr. Pradeep Bhadauria
Director
DIN : 08696317

Mr. Bipin Singh
Director
DIN : 00058068

DHFL Investments Limited Mumbai

DHFL INVESTMENTS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2022

Amount in (₹ Lakh)

	Particulars	Notes	Year ended 31.03.2022	Year ended 31.03.2021
	Revenue from operations			
(i)	Interest Income		-	-
(ii)	Dividend Income		-	-
(iii)	Renatal Income		-	-
(iv)	Fees and Commission Income		-	-
(v)	Net gain on fair value changes		-	-
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Sale of products(including Excise Duty)		-	-
(viii)	Sale of services		-	-
(ix)	Others (Write back of interest)		3.61	-
(I)	**Total Revenue from operations**		3.61	-
(II)	Other Income (to be specified)		-	-
(III)	**Total Income (I+II)**		3.61	-
	Expenses			
(i)	Finance Costs	11	-	0.78
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category		-	-
(v)	Impairment on financial instruments		-	-
(vi)	Cost of materials consumed		-	-
(vii)	Purchases of Stock -in -trade		-	-
(viii)	Changes in Inventories of finished goods, stock -in - trade and work -in - progress		-	-
(ix)	Employee Benefits Expenses		-	-
(ix)	Depreciation , amortization and Impairmen		-	-
(x)	Others expenses (to be specified)	12	3.72	5.47
(IV)	**Total Expenses (IV)**		3.72	6.26
(V)	Profit / (loss) before exceptional items and tax (III - IV)		(0.11)	(6.26)
(VI)	Exceptional items - Impairment/(Reversal of Impairment) of investment in Joint Venture	4	47,165.63	(24,416.00)
(VII)	Profit/(loss) before tax (V -VI)		(47,165.74)	24,409.74
(VIII)	Tax Expenses		-	-
	(a) Current Tax		-	-
	(b) Deferred Tax		-	-
(IX)	Profit / (loss) for the period from continuing operations(VII -VIII)		(47,165.74)	24,409.74
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X -XI)		-	-
(XIII)	Profit/(loss) for the period ((IX+XII)		(47,165.74)	24,409.74
(XIV)	**Other Comprehensive Income**			
	(A)			
	(i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
	(B)			
	(i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)			
	Other Comprehensive Income (A + B)		-	-
(XV)	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		(47,165.74)	24,409.74
(XVI)	Paid up Equity Share Capital (Face value ₹10/- each)		10,125.00	10,125.00
(XVII)	**Earnings per equity share (for continuing operations)**			
	Basic (₹)		(46.58)	24.11
	Diluted (₹)		(46.58)	1.22
(XVIII)	**Earnings per equity share (for discontinued operations)**			
	Basic (₹)		-	-
	Diluted (₹)		-	-
(XIX)	**Earnings per equity share (for continuing and discontinued operations)**	13		
	Basic (₹)		(46.58)	24.11
	Diluted (₹)		(46.58)	1.22

See accompanying notes to the financial statements
As per our report of even date
For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 039894

Place: Mumbai
Date: 25/5/2022

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors

Mr. Jairam Sridharan
Director
DIN : 05165390

Mr. Pradeep Bhadauria
Director
DIN : 08696317

Mr. Bipin Singh
Director
DIN : 00058068

DHFL Investments Limited Mumbai

DHFL INVESTMENTS LIMITED

Cash Flow Statement for the Year Ended 31st March 2022

Amount in (₹ Lakh)

	Year Ended 31.03.2022		Year Ended 31.03.2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax		(47,165.74)		24,409.74
Adjustments for:				
Depreciation and Impairement of asset				
Impairement of Investment		47,165.63		(24,416.00)
Write back of interest on CCDS		(3.61)		-
Operating Profit before Working capital changes		(3.72)		(6.26)
Changes in Working capital				
Other Non-Current Liabilities	-		0.78	
Other Current Liabilities	2.69		0.83	
Other Current Assets	-		-	
Working Capital changes		2.69		1.61
Cash generated from operations during the year		(1.03)		(4.64)
Net Cash From Operating Activities		(1.03)		(4.64)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Current Investments not considered as Cash or cash equivalents				
Investments in Equity Shares	-	-	-	-
Net Cash used in Investing Activities		-		-
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Equity Shares			-	
Loan received/(paid) from Holding Company			-	
Proceeds from Issue of CCD's	-	-		-
Net Cash generated From / (Used In) Financing Activities		-		-
Net Increase/ (Decrease) in Cash Equivalents		(1.03)		(4.64)
Cash and Cash Equivalents at the beginning of the year		5.54		10.18
Cash and Cash Equivalents at the close of the year		4.51		5.54

This is the Cash Flow referred to in our Report of even date.
Negative Figure (-) represents Cash Outflow.

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 039894

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 25/5/2022

For and behalf of the Board of Directors

Mr.Jairam Sridharan
Director
DIN : 05165390

Mr. Pradeep Bhadauria
Director
DIN : 08696317

Mr.Bipin Singh
Director
DIN : 00058068

DHFL Investments Limited Mumbai

DHFL INVESTMENTS LIMITED

Statement of Changes in Equity for the Year ended 31st March '22

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of reporting period
Authorised					
12,00,00,000 (PY 20-21 12,00,00,000 Equity Shares of (₹) 10/- each	12,000.00	-	-	-	12,000.00
	12,000.00	-	-	-	**12,000.00**
Issued, Subscribed and Paid up					
10,12,50,000 (PY 20-21 10,12,50,000) Equity Shares of (₹) 10/- each fully paid up	10,125.00	-	-	-	10,125.00
	10,125.00	-	-	-	**10,125.00**

B Other Equity

Amount in (₹ Lakh)

Partiulars	Reserves & Surplus			Total
	Retained Earnings	Capital Reverse	Equity Portion of Compound Financial Instrument	
As at 1st April'20	(75,463.64)		190,088.46	114,624.82
Profit/(Loss) for the Year Ended	24,409.74			24,409.74
As at 31st March'21	**(51,053.89)**		**190,088.46**	**139,034.57**
As at 1st April '21	(51,053.89)		190,088.46	139,034.57
Transfer to capital reserv		190,088.46	(190,088.46)	0.00
Rightback of Debt component CCD		7.60		7.60
Profit/(Loss) for the Period	(47,165.74)		-	(47,165.74)
As at 31st March '22	**(98,219.63)**	**190,096.06**	-	**91,876.42**

Piramal Capital and Housing Finance Limited (PCHFL) has acquired Dewan Housing Finance Corporation Limited (DHFL) as part of an Insolvency and Bankruptcy process. PCHFL submitted the Resolution Plan on 22 December 2020, and it contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures ("CCDs") issued to Wadhawan Global Capital Private Limited ("WGC") and extinguishment of rights pursuant to these CCDs. Vide the order approving the Resolution Plan dated 7 June 2021, the Hon'ble National Company Law Tribunal (NCLT) also allowed the prayers contained therein. Based on the approval of the Resolution Plan by Hon'ble NCLT, the Company has written back the carrying value of CCDs through capital reserve.

WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. However the PCHFL has sort legal advice and based on the same legal expert have adviced that the PCHFL have strong case on merits

As per our report of even date
For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 039894

For and behalf of the Board of Directors

Mr.Jairam Sridharan
Director
DIN : 05165390

Mr. Pradeep Bhadauria
Director
DIN : 08696317

Mr.Bipin Singh
Director
DIN : 00058068

Place: Mumbai
Date: 25/5/2022

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

DHFL Investments Li... Mumbai

DHFL INVESTMENTS LIMITED

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the Period ended 31st March, 2022

1 CORPORATE INFORMATION

DHFL Investments Ltd.(DIL) is wholly owned subsidiary company of Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Limited) and has been incorporated under the provisions of Companies Act, 2013. DIL has been incorporated with the intent of becoming a "core investment company" under the Master Directions issued by Reserve Bank of India on August 25, 2016. DIL's business objective is to acquire any shares, stock, debentures stocks or securities in accordance with the Reserve Bank of India Act, 1934 and other applicable statutory and legal provisions. DIL has registered office in Mumbai.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements :

a) The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 by Ministry of Corporate Affairs ('MCA') as amended by the Companies (Indian Accounting Standards) Rules, 2016.

b) For all periods up to and including the year ended March 31, 2018 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) as amended from time to time.

c) The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The Company has adopted Ind AS standards effective from April 01, 2017 with comparatives for year ending March 31, 2018 and April 01, 2017 being restated and the adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. All applicable Ind AS have been applied consistently and retrospectively wherever required.

d) The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

e) The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

f) Amounts in the financial statements are presented in INR in Lakhs unless otherwise stated.

2.2 Revenue Recognition :

Dividend Income
Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income
Revenue is recognised when there is reasonable certainty as to measurement and ultimate realization of the same.

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

2.3 **Financial Instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(I)Financial Asset:

Initial recognition and measurement :

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss,transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement : For the purpose of subsequent measurement financial assets are classified as measured at: • Amortised cost • Fair value through profit and loss (FVTPL) • Fair value through other comprehensive income (FVTOCI).

Financial assets at fair value through profit or loss (FVTPL) : Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

Equity Instruments : All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

2.4 **Financial Liability**

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial liabilities at amortized cost: Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. The company is classifying the following under amortized cost. (1)Borrowings from banks (2) Borrowings from others (3)Trade payables (4) Other financial liabilities.

Derecognition: A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

2.5 **Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 **Impairment of Assets :**

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the stimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

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CHARTERED ACCOUNTANTS

2.7 Earnings 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.

2.8 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is virtual certainty of realization in future.

2.9 Provisions, Contingent Liability and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote , no provision or disclosure is made. Contingent assets are disclosed where an inflow of economic benefits is probable.

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DHFL INVESTMENTS LIMITED

3 Cash and Cash Equivalent

Amount in (₹ Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Cash on hand	0.04	0.04
(b) Balances with Banks in Current Accounts	4.47	5.49
Total Cash & Cash Equivalents	4.51	5.54

4 Investments

Amount in (₹ Lakh)

Particulars	March 31, 2022				March 31, 2021			
	Nos.	At Cost	Fair Value through profit/ loss or OCI	Amortised Cost	Nos.	At Cost	Fair Value through profit/ loss or OCI	Amortised Cost
Non-current Investments								
Unquoted								
Investment in unquoted equity instruments in associate								
DHFL Venture Trustee Company Pvt. Ltd	22,500	2.25	-	-	22,500	2.25	-	-
Investment in unquoted equity instruments in Joint Venture								
Pramerica Life Insurance Company Limited (erstwhile DHFL Pramarica Life Insurance Company Limited)	187,030,931	200,050.00	-	-	187,030,931	200,050	-	-
Less : Impairment in value								
Total Non-current Investments - Gross (A)		200,052.25	-	-		200,052.25	-	-
Investment outside India	-	-	-	-	-	-	-	-
Investment in India	-	200,052.25	-	-	-	200,052.25	-	-
Total Non-current Investments - Gross (B)		200,052.25	-	-		200,052.25	-	-
Less: Allowance for Impairment Loss ('C)		98,050.00	-	-		50,884.37	-	-
Total Non-current Investments - Net (D)		102,002.25	-	-		149,167.88	-	-

Note : In respect of Pramerica Life Insurance Company Limited (PIPL) (erstwhile DHFL Pramerica Life Insurance Company Limited), there was reversal of impairment of Rs 13.05 per share totaling to Rs 2,44,16,00,000 based on the internal valuation as on 31st March 2021. During the 31st March 2022, Management has revisited the impairment based on the external valuation for the value of the share as on 31st March 2022, based on the valuation there is further impairment of Rs 27.33 per share totaling to Rs 4,71,65,63,098 thus decereasing the value per share from Rs 79.75 to Rs 52.42. Thus, the impairement is relfected in Profit and loss Account as Exceptional Item.

5 Payables

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6.59	4.02
Total Payable	6.59	4.02

Ageing of Other Payable		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Less than 1 year	4.45	2.71
1 to 2 years	2.14	1.31
2 to 3 years		
More than 3 years		
Total	6.59	4.02

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) from vendor claiming the status as micro or small enterprises, hence no disclosures have been made.

Trade payables are recognised at their original invoice amounts which represents their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

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6 **Debt Securities**

Amount in (₹ Lakh)

Particulars	March 31, 2022				March 31, 2021			
	At Amortised Cost	Fair Value through profit/ loss	Designated at Fair Value through profit/ loss	Total	At Amortised Cost	Fair Value through profit/ loss	Designated at Fair Value through profit/ loss	Total
Unsecured								
Liability portion of Compound financial instruments	-	-	-	-	7.60	-	-	7.60
Interest payable on CCD	-			-	3.61			3.61
Total (A)	-	-	-	-	11.21	-	-	11.21
Debts Securities in India	-	-	-	-	11.21	-	-	11.21
Debts Securities in Outside India	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	11.21	-	-	11.21

Terms Of Debentures

One Non-redeemable, non-participating, fully, mandatorily and compulsory convertible debentures (CCD's) shall convert into one equity share of DIL ("Conversion Ratio") The CCD can be converted any time after expiry of 100 months from deemed date of allotment (i.e.30th Mar'17) of the CCD's further they shall compulsorily convert into equity shares of DIL as per the conversion ratio on the date falling at the expiry of 110 months from the deemed date of allotment of the CCD's. Rate of interest/CCD yield : 0.001%.

Piramal Capital and Housing Finance Limited (PCHFL) has acquired Dewan Housing Finance Corporation Limited (DHFL) as part of an Insolvency and Bankruptcy process. PCHFL submitted the Resolution Plan on 22 December 2020, and it contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures ("CCDs") issued to Wadhawan Global Capital Private Limited ("WGC") and extinguishment of rights pursuant to these CCDs. Vide the order approving the Resolution Plan dated 7 June 2021, the Hon'ble National Company Law Tribunal (NCLT) also allowed the prayers contained therein. Based on the approval of the Resolution Plan by Hon'ble NCLT, the Company has written back the carrying value of CCDs through capital reserve.
WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. However the PCHFL has sought legal advice and based on the same legal expert have adviced that the PCHFL have strong case on merits

7 **Borrowing (Other than Debt Security)**

Amount in (₹ Lakh)

Particulars	March 31, 2022				March 31, 2021			
	At Amortised Cost	Fair Value through profit/ loss	Designated at Fair Value through profit/ loss	Total	At Amortised Cost	Fair Value through profit/ loss	Designated at Fair Value through profit/ loss	Total
Unsecured								
Short Term borrowings From Holding Company	-	-	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-	-	-
Borrowings in India	-	-	-	-	-	-	-	-
Borrowings in Outside India	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-

8 **Other Financial Liabilities**

Amount in (₹ Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory Liabilities	0.25	0.12
Total Other Financial Liabilities	**0.25**	**0.12**

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9 **Equity Share capital**

Amount in (₹ Lakh)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of reporting period
Authorised					
12,00,00,000 (PY 20-21 12,00,00,000) Equity Shares of (₹) 10/- each	12,000.00				12,000.00
	12,000.00				**12,000.00**
Issued, Subscribed and Paid up					
10,12,50,000 (PY 20-21 10,12,50,000) Equity Shares of (₹) 10/- each fully paid up	10,125.00				10,125.00
	10,125.00				**10,125.00**

The Company at present has one class of issued, subscribed and paid up share referred to as equity shares having a par value of (₹) 10/- each. Each holder of equity share is entitled to one vote per share. The Company has not declared or paid any dividend.

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning	101,250,000	10,125.00	101,250,000	10,125.00
Add: Shares issued during the year	-	-	-	-
Equity shares at the end	101,250,000	10,125.00	101,250,000	10,125.00

Details of shareholders holding more than five percent equity shares and Promoter holding in the Company are as under:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% holding	No. of shares	% holding
Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Ltd.) (Holding Company)	101,249,940	100.00	101,249,940	100
	101,249,940	**100.00**	**101,249,940**	**100**

10 **Other Equity**

Refer to the statement of changes in equity for movement in Other equity.

11 **Finance Cost**

Amount in (₹ Lakh)

Particulars	Year ended 31.03.2022		Year ended 31.03.2021	
	Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Unwinding of Interest portion	-	-	-	0.78
Total Finance Cost	-	-	-	0.78

12 **Other Expenses**

Amount in (₹ Lakh)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(a) Auditor's Remuneration	1.55	1.50
(b) Professional Fees	1.22	1.15
(c) ROC Filing Fees	0.02	1.29
(d) Bank Charges	0.39	0.18
(e) Duties and Taxes	0.53	0.60
(f) Miscellaneous Expenses	0.01	0.01
(g) Annual NSDL Fees	-	0.75
Total Other expenses	3.72	5.47

13 **Earning Per Share**

Amount in (₹ Lakh)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit/(Loss) after tax as per statement of profit and loss	(47,165.74)	24,409.74
Net Profit attributable to equity shareholders	(47,165.74)	24,409.74
No. of Equity shares (Number)	101,250,000	101,250,000
Weighted Average No. of Equity Shares	101,250,000	101,250,000
Nominal value of Equity Shares (₹)	10	10
Earning Per Share (₹) :		
Basic	(46.58)	24.11
Diluted	(46.58)	1.22

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

14 **Related parties transactions**

As per Indian Accounting Standard (Ind AS 24) on "Related Party Disclosures" details of transactions with

A) List of related parties with whom transactions have taken place during the year:

1) **COMPANIES**

(i) **Holding Company**

(a) Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Limited) (based on voting power)

(b) Wadhawan Global Capital Private Limited (upto 30th September 2021)

(ii) **Key Managerial Personnel, Director & Relative**

(a) Mr.Pradeep Bhadauria, Director (wef, 11.02.2020)

(b) Mr. Bipin Singh, Director (wef, 08.11.2021)

(c) Mr.Jairam Sridharan, Director (wef, 08.11.2021)

(d) Mr.Sushant Pawar, Chief Financial Officer (Resigned on 01.06.2019 however the Board has not accepted the resignation)

(iii) **Enterprises over which KMP are able to exercise significant influence**

(a) Piramal Consumer Products Private Limited
(b) PEL Finhold Private Limited
(c) Viridis Power Managers Private Limited
(d) Piramal Systems & Technologies Private Limited
(e) Piramal Investments Advisory Services Private Limited
(f) Providian Technology Services Private Limited
(g) Social Worth Technologies Private Limited
(h) Pramerica Life Insurance Company Limited
(i) DHFL Venture Trustee Company Private Limited

B) **Details of transactions during the period ended 31st March, 2022**

Amount in (₹ Lakh)

Details of Transactions	Pramerica Life Insurance Company Limited (erstwhile DHFL Pramarica Life Insurance Company Limited) (Joint Venture)		DHFL Venture Trustee Company Pvt. Ltd (Associate Company)		Holding Company		Wadhawan Global Capital Pvt. Ltd.(Holding Company)	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
1) Short Term Borrowings								
Opening					-	-	-	-
Loans taken during the year					-	-	-	-
Loans repaid during the year					-	-	-	-
Loan outstanding at the end of the year					-	-		
2) Interest on CCD :					-	-	-	0.78
3) Amount written Back								
Interest payable on CCD							7.60	
Liability portion of Compound financial instruments							3.61	
equity component of CCD							190,088.46	
4) Other Equity/ Debt Securities :								
Non-redeemable, non-participating, fully, mandatorily and compulsory convertible debentures (CCD's) to Wadhawan Global Capital Pvt. Ltd.					-	-	-	190,100.00
5) Interest accrued and due :								
Wadhawan Global Capital Pvt. Ltd.					-	-	-	3.61
6) Investement in Equity net of impairment	102,000.00	149,167.88	2.25	2.25				

15 **Audit Fees**

Amount in (₹ Lakh)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Audit Fees	1.50	1.50
Certification	0.05	
Total Audit Fees	1.55	1.50

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

16 **Segment Reporting**

The income of the Company comprises of solely dividend and interest income and accordingly there are no reportable segments as specified in IND AS 108 ("Operating Segment") which needs to be reported.

17 Deferred Tax Assets not recognised as a matter of prudence due to carried forward losses would not be set off in near future.

18 Contingent Liability : NIL

19 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") for the Corporate Insolvency resolution process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. Pursuant to the Resolution Plan, PCHFL has obtained control over DHFL and its subsidiaries by virtue of holding 100% shareholding and subsequently, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date). The Resolution Plan was filed with the respective Registrar of Companies on September 30, 2021 giving effect to the said merger.

Notes forming part of the Financial Statements

Note: 20

FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification

The carrying value of financial instruments by categories are as follows:

Particulars	Carrying Value					
	31-Mar-22			31-Mar-21		
	Fair Value through OCI	Fair Value through profit or loss	Amortised Cost	Fair Value through OCI	Fair Value through profit or loss	Amortised Cost
Financial assets						
Cash and cash equivalents	-	-	4.51	-	-	5.54
Others	-	-	1.50	-	-	1.50
Investments:						
Investment in associates / joint ventures	-	-	102,002.25	-	-	149,167.88
	-	-	102,008.26	-	-	149,174.92
Financial liabilities						
Borrowings	-	-	-	-	-	-
Other Payable			6.59			4.02
Other financial liability	-	-	0.25	-	-	0.12
	-	-	6.83	-	-	4.14

B. Fair Values

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

As at March 31, 2022

Financial asset measured at Fair Value	Fair value as at March 31, 2022	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
FVTPL - Unquoted equity instrument	-	-	-	-

As at March 31, 2021

Financial asset measured at Fair Value	Fair value as at March 31, 2021	Fair Value hierarchy		
		Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
FVTPL - Unquoted equity instrument	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year.
The management assessed that cash and cash equivalents, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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Notes forming part of the Financial Statements

Notes 20 Cont'd

Financial instruments – Fair values

Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:
Credit risk
Liquidity risk and
Market risk

Risk management framework

The Company's principal financial liabilities comprise of other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

Financial instruments affected by market risk include FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Company's investment in it's group company - DHFL Pramarica Life Insurance Company Limited, which is non-listed, is significant. But being the startegic investment, company is not enfluenced by equity price risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities from its other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's board of directors. Investments of surplus funds are made only with approval of Board of directors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

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Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2022 and March 31, 2021.

21 Micro, small and medium enterprises disclosure

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act).

	Particulars	As on 31-Mar-2022	As on 31-Mar-2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties

22 Details of Loans and Investments as required u/s 186(4) of Companies Act, 2013:-

1. Investments made are disclosed under note no. 4.
2. Loans and advances in the nature of loans to related parties - Nil
3. Gurantees given by the Company in respect of loans as on 31st March 2022 - Nil

23 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Amount in (₹ Lakh)

	As on 31-Mar-2022			As on 31-Mar-2021		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
ASSETS						
Financial assets						
Cash and cash equivalents	0.04		0.04	0.04	-	0.04
Bank Balances other than cash and cash equivalent	4.47		4.47	5.49		5.49
Receivables						
(i) Trade receivables		-	-			-
Loans		-	-		-	-
Investments		102,002.25	102,002.25		149,167.88	149,167.88
Other Financial assets		1.50	1.50		1.50	1.50
Sub total	**4.51**	**102,003.75**	**102,008.26**	**5.54**	**149,169.38**	**149,174.92**
Non-financial assets						
Non current Tax assets (Net)	-		-	-		-
Investment Property	-		-	-		-
Property, Plant and Equipment	-		-	-		-
Other Intangible assets	-		-	-		-
Other Non-financial assets	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
Total Assets	**4.51**	**102,003.75**	**102,008.26**	**5.54**	**149,169.38**	**149,174.92**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	-	-
Payables						
Trade payables	6.59		6.59	4.02		4.02
Borrowings	-		-	-	11.21	11.21
Deposits	-		-	-		-
Other Financial liabilities	0.25	-	0.25	0.12	-	0.12
Sub total	**6.83**	-	**6.83**	**4.14**	**11.21**	**15.35**
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax liabilities (Net)	-	-	-	-	-	-
Other non-financial liabilities	-	-	-	-	-	-
Sub total	-	-	-	-	-	-
EQUITY						
Equity Share Capital		10,125.00	10,125.00		10,125.00	10,125.00
Other equity		91,876.42	91,876.42		139,034.57	139,034.57
Sub total	-	**102,001.42**	**102,001.42**	-	**149,159.57**	**149,159.57**
Total Liabilities and equity	**6.83**	**102,001.42**	**102,008.26**	**4.14**	**149,170.77**	**149,174.92**

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24 Ratio as per the Schedule III requirements

i) Capital to risk-weighted assets ratio (CRAR)- Stock of High Quality Liquid Assets divided by Expected cash outflows for 30 days

Particulars	31-Mar-2022	31-Mar-2021
High Quality Liquid Assets	4.51	5.54
Total net Cashflow amounts	6.83	4.14
Ratio	65.98%	133.62%
% Change from previous period/ year	(102.52%)	

Increase is due to non payment of payables due to shortage of fund

ii) Tier I CRAR

Particulars	31-Mar-2022	31-Mar-2021
Net owned fund	102,001.42	149,159.57
Total risk weighted assets	102,002.25	149,167.88
Ratio	100.00%	99.99%
% Change from previous period/ year	0.00%	

iii) Tier II CRAR

Particulars	31-Mar-2022	31-Mar-2021
Aggregate Tier II Capital	-	-
Total risk weighted assets	-	-
Ratio	0.00%	0.00%
% Change from previous period/ year	0.00%	

iv) Liquidity Coverage Ratio

Particulars	31-Mar-2022	31-Mar-2021
High Quality Liquid Assets	4.51	5.54
Total net Cashflow amounts	6.83	4.14
Ratio	65.98%	133.62%
% Change from previous period/ year	(102.52%)	

Increase is due to non payment of payables due to shortage of fund

25 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 charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii) Details of transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

Nature of transactions with struck-off Company	Name of Struck off comapany	Balance outstanding amounts in consideration as on 31 March 2022	Balance outstanding amounts in consideration as on 31 March 2021	Relationship with the Struck off company, if any, to be disclosed
Investment in Securities				Not Applicable
Receivable				Not Applicable
Payables				Not Applicable
Shares held by struckofcompany				Not Applicable
Other outstanding balance				Not Applicable

iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period.

v) During the year the Company have not advanced or loaned or invested funds to any other person (s)or entity (ies), 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

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi) During the year the Company have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) 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 Funding

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company have not had 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.

viii) The Company does not have any owned or Leased immovable property

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

26 **Foreseable losses**

The company does not have any long term ocntracts

27 **Other matters**

Information with regard to other matters specified in Schedule III to the Act is either Nil or not applicable to the Company for the year.

28 **Previous year's figures**

Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosure for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Dr. CA B. K. Vatsaraj
Partner
M No.: 039894

Place : Mumbai
Date: 25/5/2022

VATSARAJ & CO. FRN 111327W CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors

Mr.Jairam Sridharan
Director
DIN : 05165390

Mr. Pradeep Bhadauria
Director
DIN : 08696317

Mr.Bipin Singh
Director
DIN : 00058068

DHFL Investments Limited Mumbai

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

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Tel. : +91-11-41402828
del@kkmindia.com

Independent Auditor's Report

To The Members of DHFL Advisory & Investments Private Limited

Report on Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of M/s DHFL Advisory & Investments Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of its loss and total comprehensive income (comprising loss and other comprehensive income), changes in equity and its cash flows for the year then 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 Financial Statements under the provisions of the Act and the Rules 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 financial statements and our auditor's report thereon. The director's report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

K.K. Mankeshwar & Co. Chartered Accountants

When we read the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's responsibilities 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.

K.K. Mankeshwar & Co.
Chartered Accountants

- 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 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 management.

- Conclude on the appropriateness of 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.

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 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.

2. As required by section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows 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.

K. K. Mankeshwar & Co. Chartered Accountants

e. On the basis of the written representations received from the directors as on 31st March, 2022, and 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 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"; and

g. The provision of section 197 read with schedule V of the Act are not applicable to the company for the year ended 31st March, 2022; and

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, 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- refer Note -15 to the Financial Statements;

   ii) The Company did not have any long-term contracts including derivatives 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 its 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 its 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 representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

K.K. Mankeshwar & Co. Chartered Accountants

(v) The Company has not declared/paid any dividend during the year and hence provision of Section 123 of the Act is not applicable.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

UDIN: 22097820AKCSAP8244
New Delhi, dated the
26/05/2022

Annexure "A" to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

    a. The Company does not have any property, plant and equipment as at 31st March, 2022 hence reporting under clause 3(i)(a) to 3(i)(d) of the Order is not applicable.

    b. 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.

2. As the Company does not have any inventory at the year end, accordingly clauses (ii)(a) and (ii)(b) of paragraph 3 of the Order is not applicable to the Company.

3. 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. Therefore, the provisions of the Clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e), and (iii)(f) of the said Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which the Director is interested to which Section 185 of the Companies Act 2013 apply and hence not commented upon. Further as per information and explanation given to us by the management, provisions of Section 186 of the Companies Act 2013 in respect of loans and advances given have been complied with by the Company. Hence, provisions of Section 186 of the Companies Act 2013 in respect of investments made and, guarantees and securities given not applicable to the Company.

5. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.

7. According to the information and explanation given to us, in respect of statutory dues:

    a) According to information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company is regular in depositing undisputed statutory dues including income-tax, as applicable, with appropriate authorities though there has been slight delay in one case. The provisions relating to provident fund, employees' state insurance, goods and service tax, custom duty, cess and other statutory dues are not applicable to the Company during the year.

K.K. Mankeshwar & Co. Chartered Accountants

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, goods and service tax and duty of customs as on 31st March 2022 which have not been deposited on account of a dispute are as follows:

Name of Statute	Nature of dues	Amount (Rs in Lakh)	Period for which the amount related	Forum where dispute is pending
Income Tax	Disallowance u/s 14A	99.45	A.Y 2017-18	ITAT- U/s 156
Income Tax	Disallowance u/s 14A	105.10	A.Y 2018-19	ITAT- U/s 156

8. 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).

9. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution orgovernment or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order isnot applicable.

(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, 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 any loans during the year and hence reporting on clause 3(ix)(f)of the Order is not applicable.

10. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of theOrder 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 3(x)(b) of the Order is not applicable.

Chartered Accountants

11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) 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 this report.

(c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

13. According to the information and explanation given to us and based on the examination of the records of the Company, all transaction with related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The Provision of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the company and hence not commented upon.

14. (a) According to the information and explanations given by the management, 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, in determining the nature, timing and extent of our audit procedures.

15. 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 (xv) of paragraph 3 of the Order is not applicable.

16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

17. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

K.K. Mankeshwar & Co.
Chartered Accountants

19. 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, our knowledge of the plans of the Board of Directors and management 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.

20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

UDIN: 22097820AKCSAB8244
New Delhi, dated the
26/05/2022

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Report on the Internal Financial Controls 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 M/s DHFL Advisory & Investments Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

K.K. Mankeshwar & Co.
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 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, 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 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.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W
UDIN: 22097820AKCSAP8244
New Delhi, dated the
26/05/2022

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Balance Sheet as at 31st March, 2022

Amount in (₹ Lakh)

	Particulars	Note	As at 31.03.22	As at 31.03.21
I	Assets			
A	**Non Current Assets**			
(a)	**Financial Asset**			
	i) Others Financial Asset	3	1.55	1.55
B	**Current Assets**			
(a)	**Financial Asset**			
	i) Cash & Cash Equivalent	4	60.34	63.90
(b)	Other current asset	5	0.27	-
	Total Assets		**62.15**	**65.45**
I	**Equity and Liabilities**			
A	**Equity**			
(a)	Equity Share Capital	6	7,501.00	7,501.00
(b)	Other Equity	7	(7,442.78)	(7,440.50)
B	**Liabilities**			
(a)	**Current Liabilities**			
(i)	Financial Liabilities			
	i) Other Financial Liabilities	8	3.78	4.84
(ii)	Other Current Liabilities	9	0.16	0.11
	Total Equity and Liabilities		**62.15**	**65.45**
	Significant Accounting Policies and Explanatory Information forming part of the Financial Statements	1-23		

This is the Balance Sheet referred to in our report of even date

K.K. Mankeshwar & Co. Chartered Accountants

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

New Delhi, dated the 26th May, 2022

DHFL Advisory & Investments Pvt. Ltd. Mumbai

For and behalf of the Board of Directors

Mr. Pradeep Sawant	**Mr. Alok Bahl**
Director	**Director**
DIN : 09857171	**DIN:08574045**

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Statement of Profit & Loss for Year ended 31st March, 2022

Amount in (₹ Lakh)

	Particulars	Notes	Year ended 31.03.2022	Year ended 31.03.2021
I	**INCOME**			
	(a) Revenue from Operation		-	-
	(b) Other Income	10	1.27	0.01
	TOTAL INCOME		1.27	0.01
II	**EXPENSES**			
	(a) Other Expenses	11	3.56	4.45
	TOTAL EXPENSES		3.56	4.45
III	Profit / (Loss) before tax		(2.29)	(4.44)
IV	Less: Provision for Taxation			
	(a) Current Tax		-	-
	(b) Deferred Tax Charge		-	-
V	Profit / (Loss) for the year (III - IV)		(2.29)	(4.44)
VI	Other comprehensive income			-
VII	Total Comprehensive Income/(Loss) for the Year (V + VI)		(2.29)	(4.44)
	Paid up Equity Share Capital (Face value ₹10/- each)		7,501.00	7,501.00
VIII	Earnings per Equity share (face value ₹ 10 each)	13		
	Basic (₹)		(0.00)	(0.01)
	Diluted (₹)		(0.00)	(0.01)
	Significant Accounting Policies and Explanatory Information forming part of the Financial Statements	1-23		

This is the Statement of Profit and Loss referred to in our report of even date

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

K.K. Mankeshwar & Co. Chartered Accountants

DHFL Advisory & Investments Pvt. Ltd. Mumbai

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 09857171

Mr. Alok Bahl
Director
DIN:08574045

New Delhi, dated the 26th May, 2022

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Statement of Profit & Loss for Year ended 31st March, 2022

Amount in (₹ Lakh)

	Particulars	Notes	Year ended 31.03.2022	For the half year ended 31.3.2022	For the half year ended 30.09.2021	Year ended 31.03.2021
I	**INCOME**					
	(a) Revenue from Operation		-	-	-	-
	(b) Other Income	10	1.27	0.37	0.90	0.01
	TOTAL INCOME		1.27	0.37	0.90	0.01
II	**EXPENSES**					
	(a) Other Expenses	11	3.56	1.51	2.05	4.45
	TOTAL EXPENSES		3.56	1.51	2.05	4.45
III	**Profit / (Loss) before tax**		(2.29)	(1.14)	(1.15)	(4.44)
IV	**Less: Provision for Taxation**					
	(a) Current Tax		-	-	-	-
	(b) Deferred Tax Charge		-	-	-	-
V	**Profit / (Loss) for the year (III - IV)**		(2.29)	(1.14)	(1.15)	(4.44)
VI	**Other comprehensive income**					-
VII	**Total Comprehensive Income for the Year (V + VI)**		(2.29)	(1.14)	(1.15)	(4.44)
	Paid up Equity Share Capital (Face value ₹10/- each)		7,501.00	7,501.00	7,501.00	7,501.00
VIII	**Earnings per Equity share (face value ₹ 10 each)**	14				
	Basic (₹)		(0.00)	(0.00)	(0.00)	(0.01)
	Diluted (₹)		(0.00)	(0.00)	(0.00)	(0.01)
	Significant Accounting Policies and Explanatory Information forming part of the Financial Statements	1-24				

This is the Statement of Profit and Loss referred to in our report of even date

K.K. Mankeshwar & Co. Chartered Accountants

DHFL Advisory & Investments Pvt. Ltd. Mumbai

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 09857171

Mr.Alok Bahl
Director
DIN:08574045

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Cash Flow Statement for Year Ended 31st March, 2022

Amount in (₹ Lakh)

Particulars	Year Ended 31.03.2022		Year Ended 31.03.2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax as per Statement of Profit and Loss		(2.29)		(4.44)
Adjustments for:				
Liability written Back		(1.26)		-
Interest on Loan		(0.02)		
Operating Profit before Working capital changes		**(3.56)**		**(4.44)**
Changes in Working capital				
Other current asset	(0.25)		-	
Other Liabilities	0.25		1.30	
Working Capital changes		(0.00)		1.30
Cash generated from operations during the year		(3.56)		(3.17)
Less: Income Tax (Paid) / Received (Net)		-		-
Net Cash generated From / (Used In) Operating Activities		**(3.56)**		**(3.17)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net Cash generated From / (Used In) Investing Activities		-		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Cash generated From / (Used In) Financing Activities		-		-
Net Increase/ (Decrease) in Cash Equivalents		(3.56)		(3.17)
Cash and Cash Equivalents at Beginning of the Year		63.90		67.07
Cash and Cash Equivalents at the End of the year		**60.34**		**63.90**
Components of Cash & Cash Equivalent				
Balance with bank in current account		60.33		63.89
Cash on Hand		0.01		0.01
		60.34		**63.90**

This is the Cash Flow referred to in our Report of even date.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

K.K. Mankeshwar Chartered Accountants

DHFL Advisory & Investments Pvt. Ltd. Mumbai

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 09857171

Mr. Alok Bahl
Director
DIN:08574045

New Delhi, dated the 26th May, 2022

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Statement of Changes in Equity
(All amount in INR Lakh, except number of share and per share data, unless otherwise stated)

A Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting year as at 1.4.2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year as at 31.03.2022
7,501.00	-	7,501.00	-	7,501.00

(2) Previous reporting period

Balance at the beginning of the current reporting year as at 1.4.2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year as at 31.03.2021
7,501.00	-	7,501.00	-	7,501.00

B Other Equity

Particulars	Reserves & Surplus
	Retained Earnings
As at 1st April'20	(7,436.05)
Profit/(loss) for the year ended	(4.44)
As at 31st March' 21	(7,440.49)
As at 1st April '21	(7,440.49)
Profit/(loss) for the Year Ended	(2.29)
As at 31st March' 22	(7,442.77)

This is the Statement of Changes in Equity referred to in our report of even date

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

For and on behalf of
K.K.MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

New Delhi, dated the 26th May, 2022

K.K. Mankeshwar & Co. Chartered Accountants

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 09857171

Mr. Alok Bahl
Director
DIN:08574045

DHFL Advisory & Investments Pvt. Ltd. Mumbai

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the period ended 31st March, 2022

1. Corporate information

DHFL Advisory & Investments Pvt. Ltd. (DAIPL), incorporated under the Companies Act, 2013, is a subsidiary company of Dewan Housing Finance Corporation Limited and carlrying on the business of providing all kinds of advisory / consultancy services and fees based intermediation activities including but not limited to the treasury, banking, insurance and other financial services as well as marketing, advertising and business promotional activities; soliciting or procuring insurance business as a corporate agent in respect of all classes of insurance, consulting for soliciting of all types of loans, investment and portfolio research, market research. DAIPL has its registered office in Mumbai.

The Financial Statement were authorised for issue by the Company's Board of Directors on 26th May, 2022.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ('financial statements'). These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation and Presentation

The financial statements have been prepared and presented under historical cost convention on a going concern and an accrual basis in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). 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.

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 17 and Ind AS 36, respectively.

K.K. Mankeshwar & Co. Chartered Accountants

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the period ended 31st March, 2022

2.1.A The company has incurred a loss of Rs. 2.29 Lacs during the year ended 31 March 2022 and the accumulated losses as at 31 March, 2022 amounting to Rs. 7,442.79 Lacs. The considering present available cash and cash equivalent is sufficient to sustain the current level of operations and the management is in the process of exploring business opportunities, hence the financial statements are prepared on a going concern basis.

2.2 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in Lakhs. Per share data is presented in Indian Rupee.

2.3 Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle.
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

K.K. Mankeshwar & Co. Chartered Accountants

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the period ended 31st March, 2022

2.4 Revenue recognition

Revenue from contract with customers is recognised in the Statement of Profit and Loss through following steps:

i. Identification of the contract or contracts with the customers
ii. Identification of the performance obligations in the contracts
iii. Determination of the transaction price
iv. Allocation of the transaction price to the performance obligations in the contract
v. Recognition of revenue when company satisfy a performance obligation.

Revenue, mainly comprises of charges towards Advisory and Consultancy services. The same is recognized on performance of service.

2.5 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current Tax

The tax currently payable is based on the estimated taxable profit for the year for the Company and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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. Such deferred tax assets and liabilities are computed separately for each taxable entity. 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.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

K.K. Mankeshwar & Co. Chartered Accountants

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

2.6 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised but disclosed in the financial statements when economic inflow is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.8 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on 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.

The 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.

2.9 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "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.

2.10 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.11 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- Estimated amount of contract remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

K.K. Mankeshwar & Co.
Chartered Accountants

2.13 Financial instruments

Recognition of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of investments, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and other payables.

Initial Measurement of Financial Instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the Statement of Profit and Loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial Assets - Classification

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

K.K. Mankeshwar & Co. Chartered Accountants

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Company has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

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An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects or initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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 statement of profit or loss.

Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. During the current year due to certain market conditions, the company has sold financial assets during the year by way of assignment transactions which does not impact the business model of the Company and hence the Company continues to carry the financial assets at amortised cost.

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Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the period ended 31st March, 2022

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous financial year there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

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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 of 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 assets. In such cases, the financial assets are derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in gains.

Equity Investments (in subsidiaries)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Financial liabilities and equity

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 instruments

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 by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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Debt Instrument

The fair value of the liability portion of an optionally convertible debenture is determined using a market interest rate for an equivalent non-convertible debenture. This amount is recorded as liability on an amortised cost basis until extinguished on conversion or redemption of the debenture. The remainder of the proceeds is attributable to the equity portion of compound instrument. This is recognised and included in shareholder's equity net of income tax effect, and not subsequently remeasured.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities 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.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

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. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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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 net carrying amount on initial recognition

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.14 Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.15 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.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period and accordingly Impairment has been estimated.

Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

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Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Going Concern Assumption

Going concern assumption has been applied on the basis that the company will able to continue its operation in the foreseeable future, and without there being any intention or necessity for it to either liquidate or curtail materially its scale of business operations.

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Significant Accounting Policies and Explanatory Information forming part of the Financial Statements
(All amount in INR Lakh, except number of share and per share data, unless otherwise stated)

3 Others Financial Asset

Particulars	As at 31.03.22	As at 31.03.21
	Amount in Lacs	Amount in Lacs
Security Deposit	1.55	1.55
Total Other Financial Asset	1.55	1.55

4 Cash & Cash Equivalent

Particulars	As at 31.03.22	As at 31.03.21
	Amount in Lacs	Amount in Lacs
Balances with Bank	60.33	63.89
Cash on Hand	0.01	0.01
Total Cash & Cash Equivalent	60.34	63.90

5 Other Current Assets

Particulars	As at 31.03.22	As at 31.03.21
	Amount	Amount
Advance to other	0.27	-
Total Other Current Assets	0.27	-

6 Equity Share Capital

Particulars	As at 31.03.22		As at 31.03.21	
	Number	Amount in Lacs	Number	Amount in Lacs
Authorised				
Equity Share of ₹ 10/- each	90,000,000	9,000.00	90,000,000	9,000.00
	90,000,000	9,000.00	90,000,000	9,000.00
Issued, Subscribed & Fully Paid Up				
Equity Share of ₹ 10/- each	75,010,000	7,501.00	75,010,000	7,501.00
Total Equity Share Capital	75,010,000	7,501.00	75,010,000	7,501.00

a The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

Particulars	As at 31.03.22		As at 31.03.21	
	Number	Amount in Lacs	Number	Amount in Lacs
Equity shares at the beginning	75,010,000	7,501.00	75,010,000	7,501.00
Add: Shares issued during the year	-		-	-
Equity shares at the end	75,010,000	7,501.00	75,010,000	7,501.00

b The rights, preferences and restrictions attaching to equity shares including restrictions on the distribution of dividends and the repayment of capital;

The Company at present has one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. 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.

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c Shares in respect of equity shares of company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

Particulars	As at 31.03.22		As at 31.03.21	
	Number	% Holding	Number	% Holding
Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Ltd) (Holding Company)	75,009,985	99.99	75,009,985	99.99
	75,009,985	**99.99**	**75,009,985**	**99.99**

d Shares in respect of Shareholding of Promoters

Shares held by promoters at the end of the year as on 31.3.2022			% Change during the year
Promoter name	No. of Shares	%of total shares	
Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Ltd)	75,009,985	100%	-

Shares held by promoters at the end of the year as on 31.3.2021			% Change during the year
Promoter name	No. of Shares	%of total shares	
Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Ltd)	75,009,985	100%	-

7 Other Equity

Particulars	As at 31.03.22		As at 31.03.21	
	Amount in Lacs		Amount in Lacs	
Reserves & Surplus				
Retained Earnings				
Opening Balance	(7,440.49)		(7,436.05)	
Add: Profit / (Loss) for the Year	(2.29)		(4.44)	
Closing Balance	(7,442.78)	(7,442.78)	(7,440.49)	(7,440.49)
Total Other Equity		**(7,442.78)**		**(7,440.50)**

8 Other Financial Liabilities

Particulars	As at 31.03.22	As at 31.03.21
	Amount in Lacs	Amount in Lacs
Other Payables	3.78	4.84
Total Other Financial Liabilities	**3.78**	**4.84**

9 Other Current Liabilities

Particulars	As at 31.03.22	As at 31.03.21
	Amount in Lacs	Amount in Lacs
Statutory Dues	0.16	0.11
Total Other Current Liabilities	**0.16**	**0.11**

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10 Other Income

Particulars	For the year ended 31.3.22	For the year ended 31.3.21
	Amount in Lacs	Amount in Lacs
Liability written Back	1.26	-
Interest on Loan	0.02	-
Miscellaneous Income	-	0.01
Total Other Income	1.27	0.01

11 Other Expenses

Particulars	For the year ended 31.3.22	For the year ended 31.3.21
	Amount in Lacs	Amount in Lacs
(a) Professional Charges	0.33	2.45
(b) Auditor's Fee*	1.75	1.77
(c) Bank charges	0.02	0.00
(d) Filing fees	0.01	0.20
(e) Duties and Taxes	0.34	0.01
(f) Prior period Expenses	1.11	-
(g) Miscellaneous Expenses	-	0.02
Total Other Expenses	3.56	4.45

*PAYMENT TO AUDITORS

Particulars	For the year ended 31.3.22	For the year ended 31.3.21
	Amount in Lacs	Amount in Lacs
(a) Audit Fee	1.50	1.50
Total	1.50	1.50

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Ratios	For the year ended 31.3.22	For the year ended 31.3.21
(a) Current Ratio	15.31%	12.91%
(b) Debt-Equity Ratio	NA	NA
(c) Debt Service Coverage Ratio	NA	NA
(d) Return on Equity Ratio	-3.93%	-7.34%
(e) Inventory turnover ratio	NA	NA
(f) Trade Receivables turnover ratio	NA	NA
(g) Trade payables turnover ratio	NA	NA
(h) Net capital turnover ratio	NA	NA
(i) Net profit ratio	-64%	-100%
(j) Return on Capital employed	NA	NA
(k) Return on investment	NA	NA

13 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 charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iii) The Company does not have any transactions with struck-off companies

iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

v) During the year the Company have not advanced or loaned or invested funds to any other person (s)or entity (ies), 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 on behalf of the Ultimate Beneficiaries.

vi) During the year the Company have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) 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 Funding Party (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company have not had 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.

viii) The Company does not have any owned or Leased immovable property.

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(All amount in INR Lakh, except number of share and per share data, unless otherwise stated)

14 Earning Per Share

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Net Profit Attributable to Equity Shareholders		
Profit/(loss) after tax	(2.29)	(4.44)
Net Profit attributable to equity shareholders	(2.29)	(4.44)
No. of Equity shares (Number)	75,009,985	75,009,985
Weighted Average No. of Equity Shares	75,009,985	75,009,985
Nominal value of Equity Shares (₹)	10	10
Earning Per Share (₹) :		
Basic	(0.00)	(0.01)
Diluted	(0.00)	(0.01)

15 Contingent Liability & Commitment

(Amount in Lacs)

Particulars			Year ended 31.03.2022	Year ended 31.03.2021
Contingent Liability				
Income tax dues				
AY 2017-18	Income tax demand	99.46		
AY 2018-19	Income tax demand	105.11	204.57	204.57
Capital Commitment			Nil	Nil

16 Related Party Disclosures

a. Name of the Related Parties and Nature

i Holding Company — Piramal Capital & Housing Finance Limited (Formerly Dewan Housing Finance Corporation Limited)

ii Key Managerial Personnel, Director & Relative —
(a) Mr. Satya Narayan Baheti, Director (upto 11.11.2021)
(b) Mr. Pradeep Atmaram Sawant, Director (wef, 11.11.2020)
(c) Mr. Alok Bahl, Director (wef, 11.05.2021)
(d) Mr. Aditya Mulgund - Chief Executive Officer
(e) Mr. Vinodh Nekhiladi Chief Financial Officer (Submitted his resignation on 01.06.2019)

iii Joint Venture Partner — NIL

iv Associate Company — NIL

v Enterprises over which KMP are able to exercise significant influence — (a) DHFL Holdings Limited

b. Details of transactions with Related Party

(Amount in Lacs)

Details of Transactions	Associate Company
Advance Given	0.25(-)
Interest Income	0.02(-)
Balance as at Year End	
Loan Given	0.25(-)
Interest Accure	0.02(-)

Bracket indicated of previous year

Notes

a. Related Party relationship is identified by the Company

b. The transaction with the related parties are disclosed only till the relationship exists.

c. Figures in bracket represents previous year figures.

17 Details of dues to micro, small and medium enterprises

Based on the information available with the Company there are no dues outstanding to Micro, Small, and Medium Enterprises as at year end under the Micro, Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006

18 Fair Value Measurement

Financial Instruments by category

(Amount in Lacs)

Particulars	31st March '22			31st March '21		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Asset						
Cash & Cash Equivalent	-	-	60.34	-	-	63.90
Other Financial Assets	-	-	1.55	-	-	1.55
Total Financial Asset	-	-	61.89	-	-	65.45
Financial Liabilities						
Other Financial Liabilities	-	-	3.78	-	-	4.84
Total Financial Liabilities	-	-	3.78	-	-	4.84

The carrying amounts of cash and cash equivalent and other liabilities and assets etc. are considered to be the same as their fair values, due to current and short term nature of such balances. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, 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.

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Internal Use—Confidential

19 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

20 Financial Risk Management

The Company's principal financial liabilities, comprise borrowings and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include investment, other assets and cash and cash equivalents that derive directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity, funding as well as settlement management.
The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The company is also taking steps to improve liquidity going forward by focusing on new initiatives.

The table below provides details regarding the contractual maturities of significant financial liabilities and assets as at March 31, 2022 and March 31, 2021.

(Amount in lacs)

Particulars	Carrying Amount	Less than 12 Months	More than 12 Months	Total
As at March 31, 2022				
Liabilities				
Other Financial Liabilities	3.78	3.78	-	3.78
Assets				
Cash & Cash Equivalent	60.34	60.34	-	60.34
Other Financial Asset	1.55	-	1.55	1.55
As at March 31, 2021				
Liabilities				
Other Financial Liabilities	4.84	4.84	-	4.84
Assets				
Investments	-			
Cash & Cash Equivalent	63.90	63.90	-	63.90
Other financial assets	1.55	-	1.55	1.55

21 Taxes

a. Income Tax Expense

The major components of income tax expenses for the year ended March 31, 2022

Profit & Loss section

(Amount in Lacs)

Particulars	31st March '22	31st March '21
Current Tax Expense	-	-
Deferred Tax	-	-
Total Income Tax Expense Recognised in profit and loss	-	-

Other comprehensive income section

Particulars	31st March '22	31st March '21
Tax on Other Comprehensive income	-	-
Total income tax expense recognised in Other comprehensive income	-	-

b. Reconciliation of Effective Tax Rate

	Particulars	31st March '22	31st March '21
i	Income before income tax	(2.29)	(4.44)
ii	Enacted Tax rate in India	25.63%	26.00%
iii	Expected Tax Expense (i*ii)	(0.59)	-
iv	Other than temporary differences	0.59	-
	Total	-	-
v	Temporary Difference	30.45	25.75
	Temporary difference on which deferred tax assets not recognised	(30.45)	(25.75)
	Total	-	-
vi	Net Adjustment (iv + v)	-	-
vii	Tax expense recognised in Statement of Profit & Loss (iii+vi)	-	-

Note:- In the view of losses, provision for tax has not been recognised. Further the deferred tax asset arising out of timing difference and carryforward of unused tax losses and unused tax credits has not been recognised. Since it is not probable that sufficient future taxable profit will be available to allow all or part of the deffered tax asset to be utilized.

22 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") for the Corporate Insolvency resolution process of Dewan Housing Finance Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. Pursuant to the Resolution Plan, PCHFL has obtained control over DHFL and its subsidiaries by virtue of holding 100% shareholding and subsequently, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date). The Resolution Plan was filed with the respective Registrar of Companies on September 30, 2021 giving effect to the said merger.

K.K. Mankeshwar & Co.
Chartered Accountants

23 In the opinion of the management the provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

As per our report attached of even date

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

For and on behalf of
K. K. MANKESHWAR & CO.,
Chartered Accountants
FRN:- 106009W

K. K. Mankeshwar & Co. Chartered Accountants

DHFL Advisory & Investments Pvt. Ltd. Mumbai

New Delhi, dated the 26th May, 2022

For and behalf of the Board of Directors

Mr. Pradeep Sawant
Director
DIN : 09857171

Mr. Alok Bahl
Director
DIN:08574045