

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 2nd Annual Report on the business and operations of Piramal Pharma Limited ('the Company' or 'PPL') and the Audited Financial Statements for the period ended March 31, 2022

(₹ in Crores)

Particulars	Standalone		Consolidated	
	For the financial year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021	For the financial year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Net Sales	3,094.95	2,938.81	6,559.10	6,314.90
Non-operating other income	223.59	197.97	275.80	164.11
Total income	3,318.54	3,136.78	6,834.90	6,479.01
Other Expenses	2,697.65	2,319.88	5,609.44	4,886.94
OPBIDTA	620.89	816.90	1,225.46	1,592.07
Interest Expenses	53.55	4.71	198.25	163.45
Depreciation	130.64	143.64	586.18	545.04
Profit before tax & exceptional items	436.70	668.55	441.03	883.58
Exceptional items (expenses)/ Income	(12.47)	18.23	(15.08)	18.23
Income tax	81.18	115.28	109.01	114.02
Net Profit/ (Loss) after tax and before Share of Net profit of Associates and Joint ventures	343.05	571.50	316.94	787.79
Share of Net profit of Associates and Joint ventures [#]	-	-	59.03	47.24
Net Profit/ (Loss) after tax and after Share of Net profit of Associates and Joint ventures	343.05	571.50	375.96	835.03
Net Profit/ (Loss) Margin %	11.08%	19.45%	5.73%	13.22%
Basic EPS	2.91	9.11	3.19	13.30
Diluted EPS (₹/share)	2.91	9.11	3.19	13.30

[#]Income under Share of associates primarily includes Company's share of profits for Company's associates, as per the applicable accounting standards.

DIVIDEND

The Board had declared an interim dividend of ₹ 0.42 (Forty two paise) per equity share of face value of ₹ 10 each, at the Board Meeting held on 10th November, 2021.

The Board has recommended a dividend of ₹ 0.56 per equity share of the face value of ₹ 10 each for the financial year ended March 31, 2022. This is subject to approval of shareholders.

SHARE CAPITAL

During the period under review, the Company had:

1. Issued and allotted the following securities:
 - (a) 96,57,423 fully paid-up equity shares of face value of ₹ 10 each to Piramal Enterprises Limited ('PEL') at a price of ₹ 613 per equity share (including premium of ₹ 603 per equity share), aggregating to ₹ 592,00,00,000 by way of conversion of existing payables by the Company to PEL;
 - (b) 39,88,262 fully paid-up equity shares of face value of ₹ 10 each to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) pursuant to conversion of Compulsorily Convertible Preference Shares into equity shares;
2. Issued and allotted 17,76,65,757 bonus equity shares to the existing shareholders in the proportion of 1,000 (One Thousand) new fully paid-up equity shares for every 5,674 (Five Thousand Six Hundred Seventy-Four) existing fully paid up equity shares held.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Changes in subsidiaries, joint ventures and/or associate companies during the period under review are annexed in Annexure A to this Report.

FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the 'Act'), a statement containing salient features of the financial statements of subsidiaries, joint ventures and associate companies in Form AOC-1 is annexed as Annexure B to this Report.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2021-22

- **Acquisition of Hemmo Pharmaceuticals Private Limited ('Hemmo'):** In June 2021, the Company acquired 100% stake in Hemmo, an Indian manufacturer of peptide active pharmaceutical ingredient, for an upfront consideration of ₹ 775 crores and milestone linked earn-outs.
- **Composite Scheme of Arrangement:** In October 2021, the Boards of Directors of PEL, the Company, Convergence Chemicals Private Limited ('CCPL'), Hemmo, and PHL Fininvest Private Limited ('PFPL') approved a composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder between PEL, the Company, CCPL, Hemmo, and PFPL and their respective shareholders and creditors ('Scheme'). The Scheme inter alia provides the following:
 - the transfer by way of demerger of the Pharma Business from PEL to the Company, and the consequent issue of equity shares to shareholders of PEL by the Company as per the share entitlement ratio i.e. for every 1 equity share of face and paid-up value

of ₹ 2 each held in PEL, 4 equity shares of face and paid-up value of ₹ 10 each in the Company shall be issued by the Company;

- the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of the Company) into the Company;
- the amalgamation of PFPL (a wholly owned subsidiary of PEL) into PEL.

In April 2022, an application in relation to the Scheme was filed with the Hon'ble National Company Law Tribunal ('NCLT'), following the receipt from BSE Limited and National Stock Exchange of India Limited of their 'No objection' in terms of Regulation 94 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 by their respective Observation Letters. Pursuant to the aforesaid application, in May 2022, the order was received from NCLT to convene meetings of the Equity Shareholder, Secured Creditors and Unsecured Creditors of PEL for the purpose of considering and, if thought fit, approving the proposed Scheme. The Hon'ble NCLT granted dispensation from holding meetings of shareholders, secured creditors and unsecured creditors (wherever applicable) of the Company, CCPL, Hemmo and PFPL.

The scheme is subject to the approval of the shareholders of PEL, creditors and regulatory authorities.

- **Stake in Yapan Bio Private Limited:** In December 2021, the Company entered into agreement and acquired an initial stake of 27.78% stake in Yapan Bio Private Limited for an investment of ₹ 101.77 crores. Yapan is a Contract Development and Manufacturing Organisation in Hyderabad. Further, in April 2022, entered into an agreement and acquired a further stake of 5.55% in Yapan for an investment of ₹ 20.35 Crores and thus the aggregate stake in Yapan is 33.33%.

OPERATIONS REVIEW:

Standalone

Total income from continuing operations for FY 2022, increased by 5.79% to ₹ 3318.54 Crores as compared to ₹ 3136.78 Crores in FY 2021. Earnings before interest, taxes, depreciation and amortisation (EBITDA) for FY 2022 from continuing operations decreased by 23.99% to ₹ 620.89 Crores as compared to ₹ 816.90 Crores in FY 2021. Net Profit for the year from continuing and discontinuing operations was ₹ 343.05 Crores as compared to ₹ 571.50 Crores in FY 2021. Basic and diluted earnings per share, from continuing and discontinuing operations, was ₹ 2.11 per share and ₹ 2.11 per share, respectively, for the year, as compared to ₹ 9.11 per share each, during the previous year.

Consolidated

The Company's revenue increased by 3.87% to ₹ 6,559.10 Crores in FY 2022 as compared to ₹ 6,314.90 Crores in FY 2021*. The increase in revenue is primarily driven by increase in Pharma segment. Revenue generated in foreign currencies are 53% of the Company's FY 2022 revenue.

*For FY 2021, Company has published 13months financials for period March 4, 2020 to March 31, 2021

SUBSIDIARY COMPANIES

Piramal Healthcare Inc. [Consolidated]

Piramal Healthcare Inc. [consolidated] includes financials of its wholly owned subsidiaries Piramal Critical Care Inc. and Piramal Pharma Inc.

Net sales of Piramal Healthcare Inc. [consolidated] for FY 2022 were at ₹ 1,379.07 Crores. Profit before interest, depreciation and tax for the year was at ₹ 448.61 Crores. Piramal Healthcare Inc. [consolidated] reported a net profit of ₹ 175.53 Crores for the year.

PEL Pharma Inc. [Consolidated]

PEL Pharma Inc. [consolidated] includes financials of its wholly owned subsidiaries Piramal Pharma Solutions Inc. and Ash Stevens LLC.

Net sales of PEL Pharma Inc. [consolidated] for FY 2022 were at ₹ 654.23 Crores. Loss before interest, depreciation and tax for the year was at ₹ 9.54 Crores. PEL Pharma Inc. [consolidated] reported a net loss of ₹ 64.79 Crores for the year.

Piramal Healthcare UK Limited

Net sales of Piramal Healthcare UK Limited for FY 2022 were at ₹ 724.26 Crores. Profit before interest, depreciation and tax for the year was at ₹ 113.31 Crores. Piramal Healthcare UK Limited reported a net profit of ₹ 14.44 Crores for the year.

Piramal Healthcare (Canada) Limited

Net sales of Piramal Healthcare (Canada) Limited for FY 2022 were at ₹ 306 Crores. Profit before interest, depreciation and tax for the year was at ₹ 85.14 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 71.89 Crores for the year.

Piramal Critical Care Limited

Net sales of Piramal Critical Care Limited for FY 2022 were at ₹ 271.60 Crores. Profit before interest, depreciation and tax for the year was at ₹ 27.39 Crores. Piramal Critical Care Limited reported a net loss of ₹ 93 Crores for the year.

Piramal Critical Care Italia S.P.A.

Net sales of Piramal Critical Care Italia S.P.A. for FY 2022 were at ₹ 91.01 Crores. Profit before interest, depreciation and tax for the year was at ₹ 0.73 Crores. Piramal Critical Care Italia S.P.A. reported a net loss of ₹ 2.81 Crores for the year.

Piramal Critical Care South Africa (Pty) Ltd.

Net sales of Piramal Critical Care South Africa for FY 2022 were at ₹ 32.95 Crores. Profit before interest, depreciation and tax for the year was at ₹ 3.95 Crores. Piramal Critical Care South Africa (Pty) Ltd. reported a net profit of ₹ 2 Crores for the year.

Piramal Critical Care Pty Ltd

Net sales of Piramal Critical Care Pty Ltd (incorporated in Australia) for FY 2022 were at ₹ 4.58 Crores.

Profit before interest, depreciation and tax for the year was at ₹ 0.56 Crores .Piramal Critical Care Pty Ltd (Australia) reported a net profit of ₹ 0.52 Crores for the year.

Piramal Critical Care Deutschland GmbH

Net sales of Piramal Critical Care Deutschland GmbH for FY 2022 were at ₹ 42.90 Crores. Loss before interest, depreciation and tax for the year was at ₹ 9.34 Crores. Piramal Critical Care Deutschland GmbH reported a net loss of ₹ 10.97 Crores for the year.

Piramal Critical Care B.V.

Net sales of Piramal Critical Care B.V. for FY 2022 were at ₹ 172.11 Crores. Loss before interest, depreciation and tax for the year was at ₹ 25.06 Crores. Piramal Critical Care B.V. reported a net loss of ₹ 28.72 Crores for the year.

JOINT VENTURES AND ASSOCIATE COMPANIES

Investment in Joint ventures and Associates are accounted for, using the equity method of accounting.

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

The Company owns 49% equity stake in Allergan India Private Limited. Share of profit of Allergan India Private Limited considered in consolidation for FY 2022 amounted to ₹ 59.07 crores.

The Company owns 27.78% of equity stake in Yapan Bio Private Limited and share of loss of Yapan Bio Private Limited considered in consolidation for FY 2022 amounted to ₹ 0.04 crores.

DEPOSITS FROM PUBLIC

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

STATUTORY AUDITORS AND AUDITORS' REPORT

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the financial year ended March 31, 2022. The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

In accordance with Section 139(2) of the Act, M/s. Deloitte Haskins & Sells LLP ('Deloitte'), Chartered Accountants (Firm Registration Number 117366W/W-100018), were appointed by the shareholders of the Company at an Extra-Ordinary General Meeting held on October 5, 2020, as (joint) Statutory Auditors for a term of 5 years to hold office until the conclusion of the 5th AGM of the Company to be held in calendar year 2025. Upon resignation of the first Statutory Auditor of the Company, Deloitte became the (sole) Statutory Auditor of the Company.

Deloitte has furnished a certificate of their eligibility and consent under Sections 139(1) and 141 of the Act and the Rules framed thereunder for their continuance as Statutory Auditors of the Company for the financial year 2022-23.

CORPORATE SOCIAL RESPONSIBILITY

The annual report on Corporate Social Responsibility ('CSR') containing details of CSR Policy, composition of CSR Committee, CSR projects undertaken, as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in Annexure C of this Report.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a) Mr. Rajesh Laddha (DIN: 02228042) resigned as a Non-Executive Director with effect from February 8, 2022. The Board places on record its appreciation and gratitude for the invaluable contributions made by Mr. Laddha during his tenure;
- b) The Board of Directors of the Company ('the Board'), on the recommendation of the Nomination and Remuneration Committee ('NRC') and subject to approval of the Members at the ensuing AGM, appointed:
 - i. Mr. Vivek Valsaraj (DIN: 06970246), Chief Financial Officer of the Company, Whole-Time Director, liable to retire by rotation, in casual vacancy caused due to resignation of Mr. Rajesh Laddha with effect from February 9, 2022;
 - ii. Mr. Sridhar Gorthi (DIN: 00035824) and Mr. Peter Stevenson (DIN: 09544706) as Additional Directors (Non-Executive, Independent) of the Company with effect from March 30, 2022;
 - iii. After conclusion of the year under review, Ms. Nathalie Leitch (DIN: 09557042) as Additional Director (Non-Executive) of the Company, with effect from May 24, 2022.

In line with the provisions of the Act and the Articles of Association of the Company, Mr. Peter DeYoung (DIN: 07152550) will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The Company has received declarations from its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and. In the opinion of the Board, the Independent Directors appointed during the year under review, are persons with integrity and possess requisite experience, expertise and proficiency required under applicable laws and the policies of the Company.

BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and the Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into

consideration various performance related aspects. The performance of the Executive Directors is evaluated on the basis of achievement of their Key Result Areas.

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 10 (ten) Meetings of the Board of Directors were convened and held.

VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company is covered under the Vigil Mechanism / Whistle Blower Policy of Piramal Enterprises Limited, holding company.

AUDIT COMMITTEE

The Audit Committee which was constituted on April 16, 2021, comprised of following members:

Name	Category
Mr. Jairaj Purandare – Chairman	Non-Executive, Independent
Mr. S. Ramadorai	Non-Executive, Independent
Mr. Rajesh Laddha*	Non - Executive
Mr. Vivek Valsaraj [#]	Executive

*Mr. Rajesh Laddha resigned as a Director and member of the Committee w.e.f. February 8, 2022.

[#]Mr. Vivek Valsaraj was appointed as an Executive Director and member of the Committee w.e.f. February 9, 2022.

NOMINATION AND REMUNERATION POLICIES

The Board of Directors has approved a Nomination Policy which lays down the framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of directors.

The Board has also approved a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel.

The Nomination Policy and the Remuneration Policy are enclosed as Annexure E to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Reference be made to Note nos. 5 and 12 of the financial statements for loans to bodies corporate and to Note no. 38.3 for guarantees provided by the Company.

As regards details of Investments in bodies corporate, the same are given in Note no. 4 of the financial statements.

RELATED PARTY TRANSACTIONS

During the year, all contracts/arrangements/transactions entered into by the Company with related parties were in ordinary course of business and on an arms length basis. There were no material related party transactions by the Company during the year. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions to be entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties shall be placed before the Audit Committee for their review on a periodic basis.

MANAGERIAL REMUNERATION

- a. The remuneration paid by the Company to the Managerial Personnel during the year was as follows:

Sr. No.	Name of Managerial Personnel	Remuneration for the FY 2021-22 (in ₹)
1.	Ms. Nandini Piramal	3,65,75,440
2.	Mr. Peter DeYoung	4,92,59,404
3.	Mr. Vivek Valsaraj*	2,15,84,427
4.	Ms. Tanya Sanish	25,91,979

Notes:

* Mr. Vivek Valsaraj, Chief Financial Officer, was appointed as a Whole-Time Director with effect from February 9, 2022. Accordingly, the remuneration drawn by Mr. Valsaraj was approved by the Board.

- b. Employee Particulars

Details of employee remuneration as required under the provisions of Section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure F.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder, the Company has appointed M/s. N L Bhatia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure G and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management ('ERM') Policy formulated by Piramal Enterprises Limited (holding company) covers within its ambit, the business of the Company. On the basis of the ERM Policy, a framework has been put in place to identify, manage and mitigate business risks. Adequate internal

controls and assurance processes are embedded into all activities of the Company in line with the ERM Policy.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and systems of compliance which are established and maintained by the Company, audits conducted including audit of internal financial controls and reviews by the Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

The Directors confirm to the best of their knowledge and ability, that:

- (a) in the preparation of the annual financial statements for the financial year ended March 31, 2022, the applicable accounting standards have been followed with no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual financial statements on a going concern basis; and
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COST AUDIT

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act. M/s. G. R. Kulkarni & Associates, Cost Accountants have been duly appointed as Cost Auditors for conducting cost audit in respect of products manufactured by the Company which are covered under the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending March 31, 2023.

They were also the Cost Auditors for the financial year ended March 31, 2022. As required under Section 148 of the Act, necessary resolution has been included in the Notice convening the AGM, seeking ratification by Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2023.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee ('ICC') has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. ICC has its presence at corporate offices as well as at site locations.

The Policy is gender neutral. During the period under review, two complaints were filed with ICC.

OTHERS

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions related to these items during the period under review:

1. Details relating to issue of sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. During the period under review, none of the Auditors of the Company have reported any fraud as specified under Section 143(12) of the Act.

ACKNOWLEDGEMENT

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our banks, business associates, Members and other stakeholders for their continued support to the Company.

Place: Mumbai

Date: May 24, 2022

**For and on behalf of the
Board of Directors**



Chairperson

ANNEXURE A

CHANGES IN COMPANY'S SUBSIDIARIES, JOINT VENTURES AND/OR ASSOCIATE COMPANIES DURING FY 2022:

A. CHANGES IN SUBSIDIARIES

COMPANIES WHICH HAVE BECOME SUBSIDIARIES:

- a) Hemmo Pharmaceuticals Private Limited
- b) Piramal Pharma Japan GK

No entity has ceased to be a Subsidiary during FY 2022.

B. CHANGES IN JOINT VENTURES

COMPANY WHICH HAS BECOME JOINT VENTURE

No entity has become nor has ceased to be a Joint Venture Company during FY 2022.

C. CHANGES IN ASSOCIATE COMPANY

COMPANIES WHICH HAVE BECOME ASSOCIATES:

- a) Yapan Bio Private Limited

No entity has ceased to be an Associate Company during FY 2022.

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES**Part "A": Subsidiaries**

Name of the Subsidiary Company	Piramal Critical Care Deutschland GmbH	Piramal Critical Care Italia, S.P.A	Piramal Critical Care Limited	Piramal Healthcare (Canada) Limited	Piramal Healthcare (UK) Limited	Piramal Healthcare Pension Trustees Limited
Reporting period for the subsidiary	March 31, 2022*	December 31, 2021*	December 31, 2021*	December 31, 2021*	December 31, 2021*	December 31, 2021*
Reporting currency	EUR	EUR	USD	CAD	GBP	GBP
Average rate	86.59	87.32	74.27	59.47	102.10	102.10
Closing rate	84.20	84.23	74.34	58.43	100.42	100.42
Share capital (Including Additional Paid In Capital)	82.70	21.06	88.50	189.23	233.30	1.00
Reserves & Surplus	(73.48)	1.46	(7.81)	471.73	448.15	1.00
Total assets	24.33	67.22	1,157.42	726.98	1,288.02	-
Total liabilities	15.11	44.70	1,076.72	66.01	606.57	-
Investments	-	-	8.04	-	-	-
Turnover	42.90	83.45	266.02	280.40	741.57	-
Profit/ (Loss) before taxation	(10.97)	(3.19)	(106.78)	83.80	43.44	-
Provision for taxation - (income)/expense	-	-	(2.62)	(4.22)	4.88	-
Profit/ (Loss) after taxation	(10.97)	(3.19)	(104.16)	88.02	38.56	-
Other Comprehensive Income	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100

Name of the Subsidiary Company	Piramal Critical Care South Africa (Pty) Ltd	Piramal Dutch Holdings N.V.	Piramal Healthcare Inc.	Piramal Critical Care, Inc.	Piramal Pharma Inc.	Piramal Pharma Solutions Inc.	PEL Pharma Inc.
Reporting period for the subsidiary	December 31, 2021*	December 31, 2021*	December 31, 2021*	December 31, 2021*	December 31, 2021*	December 31, 2021*	December 31, 2021*
Reporting currency	ZAR	USD	USD	USD	USD	USD	USD
Average rate	5.05	74.27	74.27	74.27	74.27	74.27	74.27
Closing rate	4.68	74.34	74.34	74.34	74.34	74.34	74.34
Share capital (Including Additional Paid In Capital)	4.56	1,685.03	2,021.31	128.89	62.16	106.56	74.71
Reserves & Surplus	2.21	281.06	(694.55)	718.54	(48.53)	(542.69)	(124.11)
Total assets	26.84	3,191.93	1,331.27	2,435.07	61.59	398.62	755.54
Total liabilities	20.06	1,225.84	4.51	1,587.64	47.96	834.74	804.94
Investments	-	2,739.22	184.57	-	-	-	531.57
Turnover	34.30	-	19.28	1,347.79	-	183.59	10.16
Profit/ (Loss) before taxation	2.02	(61.06)	130.76	185.97	(0.34)	(76.63)	(22.78)
Provision for taxation - (income)/expense	0.58	-	1.62	45.62	0.02	0.11	0.02
Profit/ (Loss) after taxation	1.44	(61.06)	129.15	140.35	(0.36)	(76.74)	(22.79)
Other Comprehensive Income	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100

Name of the Subsidiary Company	Ash Stevens LLC	Piramal Critical Care B.V.	Piramal Critical Care Pty Limited (Australia)	PEL Healthcare LLC	Piramal Pharma Solutions (Dutch) B.V.	Convergence Chemicals Private Limited	Hemmo Pharmaceuticals Private Limited
Reporting period for the subsidiary	December 31, 2021*	December 31, 2021*	December 31, 2021*	March 31, 2022*	December 31, 2021*	March 31,2022*	March 31,2022*
Reporting currency	USD	EUR	AUD	USD	EUR	INR	INR
Average rate	74.27	87.32	55.29	74.24	87.32	1.00	1.00
Closing rate	74.34	84.23	54.03	73.12	84.23	1.00	1.00
Share capital (Including Additional Paid In Capital)	332.98	8.42	2.70	131.58	-	70.01	0.29
Reserves & Surplus	222.31	(31.92)	0.21	(46.30)	2.15	50.19	134.24
Total assets	647.37	187.04	3.62	250.63	50.26	205.04	184.31
Total liabilities	92.08	210.53	0.71	165.35	48.10	84.83	49.78
Investments	-	-	-	-	-	-	-
Turnover	339.18	182.25	2.14	139.81	47.08	123.84	146.27
Profit/ (Loss) before taxation	59.22	(22.13)	0.18	(45.56)	3.08	24.67	(8.59)
Provision for taxation - (income)/expense	-	-	0.05	-	-	5.99	12.96
Profit/ (Loss) after taxation	59.22	(22.13)	0.13	(45.56)	3.08	18.68	(21.55)
Other Comprehensive Income	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100

* For the purposes of the Consolidated Financial Statements included in this annual report, the accounts of the Company have been rolled forward to March 31, 2022. The details provided herein, however, are based on the statutory financial year.

1. Name of the subsidiaries which are yet to commence operations-
Piramal Pharma Japan GK (w.e.f November 21, 2021)

2. Following are new subsidiaries during the year-
Hemmo Pharmaceuticals Private Limited (w.e.f June 22, 2021)
Piramal Pharma Japan GK (w.e.f November 21, 2021)

Part "B": Associates

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associates	Allergan India Private Limited
Latest Audited Balance Sheet Date	March 31, 2022
Shares of Associates / Joint Ventures held by the Company on the year end	
- Number	39,20,000
- Amount of Investment in Associate / Joint Venture	3.92
- Extent of Holding %	49%
Description of how there is significant influence	Based on shareholding
Reason why the associate / joint venture is not consolidated	Not Applicable since Equity accounting has been adopted
Networth attributable to Shareholding as per latest audited Balance Sheet	137.16
Profit / Loss for the year	
i. Considered in Consolidation	59.07
ii. Not considered in Consolidation	Not Applicable

1. Name of the associates / joint ventures which have been liquidated or sold or ceased to be associate/ joint venture during the year - NA

Place: Mumbai
Date: May 24, 2022



Director



Chief Financial Officer



Company Secretary

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are either undertaken as projects or programs or activities, whether new or ongoing and in line with the CSR Policy. During the year ended March 31, 2022, the Company discharged its CSR obligations through projects and programs of Piramal Foundation (referred to as “CSR entity”) in the education sector.

The CSR entity develops innovative solutions to resolve issues that are critical roadblocks towards improving India’s education issues. The CSR entity believes that considerable positive change can occur, when we collaborate with likeminded partners and nurture projects that are scalable ensuring a long term impact.

The CSR policy of the Company is guided by the core values of the Group, namely, Knowledge, Action, Care and Impact.

2. Composition of CSR Committee*:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year [§]	Number of meetings of CSR Committee attended during the year [§]
1	Mr. Jairaj Purandare, Chairman	Non-Executive, Independent	2	2
2	Ms. Nandini Piramal	Whole-Time Director	2	2
3	Mr. Rajesh Laddha**	Executive	2	1
4	Mr. Vivek Valsaraj^	Whole-Time Director	2	1

* The CSR Committee was constituted on 16th April, 2021.

**Mr. Rajesh Laddha resigned as a member of the Committee w.e.f. close of business hours on 8th February, 2022.

^Mr. Vivek Valsaraj was appointed as a member of the Committee w.e.f. 9th February, 2022.

§ Meetings held and attended during the tenure of the respective director as a member of the Committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: Not Applicable

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact assessment report was not applicable in FY 2021-22 for the CSR projects undertaken by the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No	Financial Year	Amount available for set-off from preceding financial years (Rs. in Crores)	Amount required to be setoff for the financial year, if any (Rs. In Crores)
1	FY 18-19	NA	NA
2	FY 19-20	NA	NA
3	FY 20-21	NA	NA
	TOTAL	NA	NA

6. Average net profit of the Company as per Section 135(5): Rs. 301.12 Crores

7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 6.02 Crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year, if any – Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) – Rs. 6.02 Crores

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. In Crores)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6.30	NIL	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (Rs. In Crores).	Amount spent in the current financial Year (Rs. In Crores)	Amount transferred to unspent CSR account for the project (Rs. In Crores)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State.	District.						Name	CSR registration number
1	Aspirational District Collaborative	Promoting Education	No	Districts of Jharkhand, Chhattisgarh, Uttarakhand, Odisha, Andhra		4 years	28.55	6.30	Nil	No	Piramal Foundation	CSR00006603

				Pradesh, Karnataka, Kerela, Tamil Nadu and Telangana							
	Total					28.55	6.30	Nil			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs. In Crores)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
Not applicable									

(d) Amount spent in Administrative Overheads – NIL

(e) Amount spent on Impact Assessment, if applicable – NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 6.30 Crores

(g) Excess amount for set off, if any:

Sl. No	Particular	Amount (Rs. In Crores)
1.	Two percent of average net profit of the company as per section 135(5)	6.02
2.	Total amount spent for the Financial Year	6.30
3.	Excess amount spent for the financial year [(ii)-(i)]	NIL
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-0.28

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. In Crores)	Amount spent in the reporting Financial Year (Rs. In Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (Rs. In Crores)
				Name of the Fund	Amount (Rs. In Crores)	Date of transfer.	
Not applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs. In Crores)	Amount spent on the project in the reporting Financial (Rs. In Crores)	Cumulative amount spent at the end of reporting Financial Year. (Rs. In Crores)	Status of the project – Completed /Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a) Date of creation or acquisition of the capital asset(s) – NA

(b) Amount of CSR spent for creation or acquisition of capital asset – NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) – N.A.



Vivek Valsaraj
(Whole - time Director)



Jairaj Purandare
(Chairman - CSR Committee)

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2022

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

During the period, the Company introduced the following measures at its plant locations to conserve energy:

Pithampur

- a. Utilities at the site were upgraded by replacing conventional Vapour Absorption Chiller with Energy Efficient Centrifugal Chiller;
- b. The Steam Pressure Reducing Station was replaced to get high flow with energy savings;
- c. Conventional Lighting Fixtures were replaced with LED lights;
- d. Old Bag Filter of 4 Ton Boiler was replaced with Energy Efficient Bag Filter Unit;
- e. Installation of Variable Frequency Drives in High capacity motors and motion sensors for lighting control resulted in Power Saving.

Digwal

- a. Energy Efficient Water Chiller & Brine Chiller were installed to reduce the specific power consumption. The said installation resulted in potential annualized savings about 18.5 lakh units and actual savings from October 2021 to March 2022 was 6.06 lakh units;
- b. Low efficient Gas (R-22) was introduced for Air conditioners with Energy efficient along with 40 Ozone friendly refrigerant for Air Conditioners, which resulted in saving about 1.86 lakh power units for the FY 2022;
- c. A 20 HP pump for chilled water circulation was replaced with 30 HP pump, which was running with valve throttle. The said replacement resulted in saving of approx. 0.52 lakh power units;
- d. Separate Brine compressors were running for 2p production blocks, rationalization of compressor piping network resulted in the power savings of about 1.32 lakh units in FY 2022.
- e. Variable frequency drive ('VFD') for Unit-I Process & utility cooling tower pumps were installed, which were operating with throttled discharge and resulted power savings of about 1.21 lakh power units in the FY 2022;
- f. Boiler induced draught (ID) fan was frequency optimized through VFD based on flue gas draft, which resulted in savings of approx. 2.03 lakh power units in FY 2022.
- g. Servo stabilizer was installed for lighting to provide optimum voltage and reduce heat losses., which resulted on saving approx. 18,800 power units in FY 2022.

Ahmedabad PPDS

Sr. No.	Project Description	Capital Investment
1	Boiler Modification: a. Provision of FO overflow tank was made to avoid environmental	₹ 8,50,000

	incidences due to FO line overflow and reuse of FO b. Provision for monitoring of FO temperature in day tank was made; c. Provision of FO and steam flow meter to track the consumption of utility was done; d. Re-routing of boiler lines for proper maintenance was carried out.	
2	Installed energy efficient pressure independent balancing and control valve in 7 Air Handling units of pilot plant for cooling and heating application. These valves enabled in providing the right flow at the right time that optimizes chiller and boiler efficiency.	₹ 28,00,000

Ahmedabad PDS

- The Site had merged chiller lines between Wing-A and Wing-B in order to utilize single chiller to manage both sides load;
- As per the design of chiller at site, the site needs to run Wing A and Wing B's chiller to support utility load. Post merging of chiller lines, the site reduced consumption of chiller in Wing A, which resulted in savings approx. ₹ 6 lakhs (calculated basis self-consumption load of chiller). The site had also saved on cost by converting chiller's CMC to AMC for Carrier Chiller thereby saving approx. ₹ 3 lakhs, payback is approx. 1 year;
- The site was operating in two shifts and in order to ensure that the labs were safe, exhaust was continuously used for removing chemical vapor generated through chemicals. For the major operations at site in the laboratories, exhaust was primary necessity.
- In the wing A, till last year the site was operating exhaust blower in night shift at 35Hz frequency.
- To save the power in night shift, the site had installed the VFD atomization. The said automation, 7.00 am to 11.00 pm, the blowers work at 35Hz and during night at 20Hz.

Rabale

- Research & Development facility has been created in the MIDC area at Rabale. During the project execution, green building principles were given due importance.
- The internal energy audit was conducted R&D Centre and areas for improvement were identified.

ii. Steps taken by the Company for utilizing alternate sources of energy

The Company would continuously explore avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies.

The following steps were taken the below mentioned sites of the Company:

Pithampur:

- Usage of Rejected / Condensate water for Boiler operation and gardening;
- Continued use of Agro-Briquette, a clean energy source as Fuel for Boiler and Hydro-electric power in addition to conventional power.

Ennore:

- The site purchased 7% renewable energy through open Access (IEX).

- b. The site saved ₹ 22.00 lakh by usage of imported coal with high calorific value & low cost, instead of Government allotted Singareni coal.

iii. The Company's Plants have collectively made capital investments in energy conservation equipment aggregating to ₹ 10.09 crores for the FY 2022

B. TECHNOLOGY ABSORPTION

i. Action taken:

Pithampur

- a. Renovation of Quality Control Lab into a state of the art facility;
- b. Commissioning of Automatic Tablet Inspection machine;
- c. Replacement of convention gas suppression system with Novac 1230 gas suppression system in the Document Room, Control Sample room and Quality Check lab;
- d. Diesel Generator 1010 KVA with auto synchronization facility was installed at the site;
- e. Automated camera based Inspection Machine for Tablet and Capsule;
- f. High speed carton packing machine in Ophthalmic Eye Drops.

Ennore

- a. Replacement of conventional paints with anti-corrosive paints to improve stability of structures at site.
- b. Establish ROCHEM disc type RO to recover 50% permeate from previous RO rejects.

Digwal

- a. **Powder Transfer System** – Installed in the production blocks to reduce the safety risk and contamination at site.
- b. **Layer Separation System** - PLC based automated phase monitoring and layer separation system installed to avoid manual errors during layer separation operation at site.
- c. **Auto Fire Suppression System** - As part of Business continuity plan, auto fire suppression system with NOVAC gas installed at 5 power panels at the site. This will enable extinguishment of fire immediately within the compartment.

Ahmedabad PDS

The site had replaced 12 year old cooling tower with new design concept i.e. VFD atomization and temperature cut-off.

Rabale

- a. Internal Energy and utility audit was conducted to identify the area of improvement. Couple of project have been identified and Budgetary approval has been taken from the senior management

ii. Benefits derived:

Pithampur

- a. Coordination with customer helped reduce defects reduced by 1% in Esperion' s products.

Ennore

- a. Life span of painting increased to 3 years.
- b. Reduced 50% RO-II reject effluent load to MEE operation by implementation of RO-III.

Digwal

- a. Amino alcohol – n-Butanol recovery.
- b. Abacavir sulphate – IMS recovery and IPA recovery.
- c. P3B – P2 yield improvement and THF recovery in P2.

PDS Ahmedabad

Cost was reduced and chiller efficiency was increased.

PPDS Ahmedabad

Most new chemical entities (NCEs) possessed poor water solubility which led to bioavailability issues during initial preclinical screening. This resulted in rejection of an NCE with potentially promising therapeutic activity. Selection of right formulation approach and technology for such drug candidates aid in improving its solubility, bioavailability and enable NCE development. Following technologies have been absorbed to enhance solubility and hence, bioavailability of NCE with poor aqueous solubility.

- a. Hot Melt Extrusion (HME) Make – Thermo Scientific Model – Pharma 11:
HME is a solvent free process to form amorphous solid dispersions (with polymer) of poorly soluble crystalline drug substances, enhancing their solubility and bioavailability.
- b. Dyno Mill / Bead Mill (Nano Mill) - Make- WAB group, Model – Research Lab:
Nano milling is process to reduce API particles at nano size down up to 100 nm. This organic solvent free process and involve wet milling reducing particle size enhancing dissolution rate and bioavailability of drugs with poor aqueous solubility. The nano milled drugs can be formulated in to dosage forms such as tablets, capsules etc. with enhanced dissolution properties.
- c. Zetasizer - Make: Malvern Model: Pro Blue
This instrument is used to characterize the nano size particles of drug substances. It is used to precisely measure the size and charge (zeta potential) of particles in dispersed systems ranging from nanometers (3.8 nm) to micrometers (100 µm), using Dynamic Light Scattering (DLS) principle.
- d. Weight Sorter High Speed, Make CI precision, Model - SP B40
High speed tablet or capsule weight sorter substantially increased the output from 2500 units/hour to 7000 units/hour. This addition has significantly enhanced the process efficiency.

Expenditure on R&D

During the year, the Company incurred an expenditure of ₹ 61.94 crores on Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings was ₹ 1,844.91 crores as against outgo of ₹ 482.94 crores.

NOMINATION POLICY

Preamble

The Nomination and Remuneration Committee ('NRC') of Piramal Pharma Limited (the 'Company'), has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who may be appointed in senior management.

This policy is framed in compliance with Section 178 and other applicable provisions of the Companies Act, 2013.

II. Criteria for identifying persons for appointment as Directors and Senior Management:

A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, science and innovation, public policy, sales & marketing and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.
2. Such candidates should also have a record of professional success.
3. Every candidate for Directorship on the Board should have the following positive attributes:
 - a) Possesses a high level of integrity, ethics, credibility and trustworthiness;
 - b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;
 - c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth in these areas;
 - d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;
 - e) Displays willingness to devote sufficient time and attention to the Company's affairs;
 - f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;
 - g) Possesses leadership skills and is a team player.
4. Criteria for Independence applicable for selection of Independent Directors:
 - a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act, 2013, as amended or re-enacted or notified from time to time.
 - b) Such Candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence

Every Independent Director shall be required to inform the NRC / Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the NRC / Board may take such steps as it may deem fit in the best interest of the organization.

6. Extension of existing term of Independent Directors

Upon the expiry of the prevailing term and subject to the eligibility of the Independent Director ('ID'), under the applicable provisions of the Act, Rules framed thereunder and other applicable law(s), as prevailing from time to time, the Board may, on the recommendations of the NRC and subject to the outcome of performance evaluation and in compliance with applicable statutory requirements, at its discretion, recommend to the shareholders an extension or renewal of the ID's existing term for such period as it may deem fit and proper, in the best interest of the organization.

B. Members of Senior Management

1. For the purpose of this Policy, the term 'Senior Management' means all executives of the Company who are heading any business or function of the Company.
2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.
3. Any candidate being considered for the post of senior management should be willing to comply fully with the Code of Conduct applicable to employees of the Company and other applicable policies, in force from time to time.

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.
2. Candidates for Board membership may be identified from a number of sources, including but not limited to past and present members of the Board and Directors database.
3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in senior management. The NRC may also identify potential candidates for appointment to Senior Management through referrals and recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.

2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and such other criteria as it may deem appropriate.
3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

IV. Removal

A. Directors

1. If a Director incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, the NRC may recommend to the Board, the removal of the said Director subject to and in compliance with the statutory provisions.
2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.
2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

REMUNERATION POLICY

1. Preamble

- 1.1. The Nomination and Remuneration Committee ('NRC') of Piramal Pharma Limited (the 'Company'), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.
- 1.2. The Remuneration Policy ('Policy') is framed in compliance with applicable provisions of Section 178 and other applicable provisions of the Companies Act, 2013.
- 1.3. This Policy reflects the core values viz. Knowledge, Action, Care and Impact.

2. Designing of Remuneration Packages

- 2.1. While designing remuneration packages, the following factors are taken into consideration:
 - a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;
 - b. Current industry benchmarks;
 - c. Cost of living;

- d. Maintenance of an appropriate balance between fixed, performance linked variable pay and long term incentives reflecting long and short term performance objectives aligned to the working of the Company and its goals;
- e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department / function and of the Company.

3. Remuneration to Directors

A. Non- Executive/ Independent Directors:

The Non- Executive / Independent directors are entitled to the following:

- i. Sitting Fees: The Non- Executive / Independent Directors receive remuneration in the form of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.
- ii. Commission: Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable statutory requirements.

B. Remuneration to Whole – Time Directors

- i. The remuneration to be paid to the Whole – Time Directors shall be in compliance with the applicable statutory requirements, including such requisite approvals as required by law.
- ii. Increments may be recommended by the NRC to the Board which shall be within applicable statutory limits.
- iii. The Board may at the recommendation of the NRC and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws.

4. Remuneration to Key Managerial Personnel and Senior Management

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the HR Policy of the Company in force from time to time and in compliance with applicable requirements of law. Total remuneration comprises of:

- i. A fixed Basic Salary;
- ii. Perquisites as per Company Policy;
- iii. Retirement benefits as per Company Rules and statutory requirements;
- iv. Performance linked incentive (on an annual basis) based on the achievement of pre-set KRAs and long term incentives based on value creation.

In addition to the above mentioned remuneration package, Key Managerial Personnel and Senior Management may also be provided Employee Stock Options (ESOPs) by the parent company, in compliance with applicable regulatory requirements.

5. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming

part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

6. Disclosure

As per applicable regulatory requirements, the Remuneration Policy or its salient features shall be disclosed in the Board's Report.

7. Review

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Designation	Age	Age	Education	Total Exp.	Date of Joining	Remuneration paid	Last Employment & Position Held
1	Ninad Navalkar	Vice President - Finance	55 Yrs	Chartered Accountant India (CA India)	30 yrs	06/10/2020	1,02,97,680	Tranferred from Piramal Enterprises Ltd
2	Vivek Valsaraj	President and Chief Financial Officer	49 Yrs	ICWA, B.Com	27 Yrs	06/10/2020	2,30,40,850	Tranferred from Piramal Enterprises Ltd
3	Jatin Unadkat	Vice President - Alternate Channels	42 Yrs	Bcom, CA	23 Yrs	06/10/2020	1,29,18,499	Tranferred from Piramal Enterprises Ltd
4	Debashish Chakravorty	Executive Vice President, India and UK Formulations	55 Yrs	MBA (Finance), B Pharm	32 Yrs	06/10/2020	1,53,83,826	Tranferred from Piramal Enterprises Ltd
5	Jatin Lal	President - M & A	49 Yrs	PG Diploma in Management	25 Yrs	06/10/2020	1,72,94,982	Tranferred from Piramal Enterprises Ltd
6	Pramod Gite	Vice President - Human Resources	50 Yrs	BSC and MBA in HR	8.7 Yrs	06/10/2020	69,75,212	Tranferred from Piramal Enterprises Ltd
7	Rajendra Mali	Vice President - Manufacturing PCC	49 Yrs	BE (Chemical engineering)	26 Yrs	06/10/2020	1,09,01,701	Tranferred from Piramal Enterprises Ltd
8	Nandini Piramal*	Executive Director	42 Yrs	MBA	19 yrs	01-04-2021	3,84,82,109	Tranferred from Piramal Enterprises Ltd
9	Akash Bhatt	Vice President - Supply Chain	48 Yrs	B Tech (Mechanical engineering)	24 Yrs	06/10/2020	48,02,838	Tranferred from Piramal Enterprises Ltd
10	Surinder Gulati	Executive Vice President - Manufacturing (PPS - INDIA API)	50 Yrs	BE	28 Yrs	06/10/2020	2,36,06,504	Tranferred from Piramal Enterprises Ltd
11	Peter DeYoung*	Chief Executive Officer - Piramal Global Pharma	44 Yrs	B.Sc, MBA	16 Yrs	06/10/2020	5,26,98,639	Tranferred from Piramal Enterprises Ltd
12	Sandeep Oak	Senior Vice President - Supply Chain	55 Yrs	BSC (Chemistry)	32 Yrs	06/10/2020	1,17,34,192	Tranferred from Piramal Enterprises Ltd
13	Narendrra Arora	Senior Vice President - Shared Services	51 Yrs	B.Com, ICWA	27 Yrs	06/10/2020	1,52,36,835	Tranferred from Piramal Enterprises Ltd
14	Sameer Penkar	Vice President - Marketing	49 Yrs	MMS (Marketing), BE	22 Yrs	06/10/2020	1,17,22,441	Tranferred from Piramal Enterprises Ltd
15	Satish Patil	Chief Manager	46 Yrs	PG in Bio-Chemistry, PG diploma in informatics	15 Yrs	06/10/2020	34,18,698	Tranferred from Piramal Enterprises Ltd
16	Vikram Duggal	Senior Vice President - Human Resources	48 Yrs	BSc, PGDPM-HR, XLRI	25 Yrs	01/08/2020	1,97,32,637	Tranferred from Piramal Enterprises Ltd
17	Ritesh Desai	General Manager - M&A	42 Yrs	Mcom, CA	20 Yrs	06/10/2020	1,12,70,595	Tranferred from Piramal Enterprises Ltd
18	Pankaj Agarwal	General Manager - R&D & Packaging	53 Yrs	B Pharm	29 Yrs	06/10/2020	53,52,178	Tranferred from Piramal Enterprises Ltd
19	Nitish Bajaj	CEO - Consumer Products Division	49 Yrs	PGDM in Marketing & Finance	25 Yrs	06/10/2020	2,45,57,179	Tranferred from Piramal Enterprises Ltd
20	Prashanth M S	Vice President - Sales	49 Yrs	Masters in Management Studies - Marketing	24 Yrs	06/10/2020	1,79,75,566	Tranferred from Piramal Enterprises Ltd
21	Harish Verma	Vice President - EHS	56 Yrs	BE (Chemical engineering) - Panjab University	29 Yrs	06/10/2020	1,17,17,345	Tranferred from Piramal Enterprises Ltd
22	Vinay Agarwal	Senior Vice President - Operations	58 Yrs	BE (Chemical engineering)	19 yrs	04/05/2020	1,49,10,427	Glenmark Pharmaceuticals, Senior Vice President
23	Raolji Gajendrasinh Balvantsinh^	Director and Site Head - PDS Ahmedabad	49 Yrs	Post doctorate and PHD (Chemistry)	20 Yrs	03/03/2022	11,19,505	Aragen Life Sciences, Senior Director

*Ms. Nandini Piramal is Mr. Peter DeYoung's spouse

^ Employed for part of the financial year (joined during the year)



N L BHATIA & ASSOCIATES

PRACTISING COMPANY SECRETARIES

Tel. : 91-022-2510 0718
 Tel. : 91-022-2510 0698
 E-mail : navnitlb@hotmail.com
 brupadhyay@hotmail.com
 Website : www.nlba.in

To,
 The Members,
Piramal Pharma Limited

Our report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other Applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 24/05/2022

Place: Mumbai



For N. L. Bhatia & Associates
Practising Company Secretaries
 UIN: P1996MH055800
 UDIN: F005436D000379744

[Handwritten signature] B.R.

Bharat Upadhyay
 Partner
 FCS: 5436
 CP. No. 4457
 P/R No. 700/2020



FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31st 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
PIRAMAL PHARMA LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Piramal Pharma Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made thereunder, including amendments from time to time;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
3. The Depositories Act, 1996 and amendments thereof and the Regulations and bye-laws framed thereunder;
4. Other specifically applicable Laws as per list attached as 'Annexure A' to this report.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and the guidelines issued by Ministry of Corporate Affairs for conducting the Board/ Committee and Shareholders' meetings through video Conference (VC) or Other Audio Visual means (OAVM).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board during the year were in compliance with the provisions of Companies Act, 2013 and the rules made there under:

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions taken in the Board Meetings were passed unanimously; and with requisite majority in General Meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the period under review;

- The Board of Directors in their meeting had approved the revision of limits for provision of financial assistance of any nature, including by the way of corporate guarantees, up to an amount not exceeding USD 50 million or its equivalent, in multiple tranches, to or for the benefit of wholly-owned subsidiaries of the Company.
- The Board of Directors of the Company had approved the issue and allotment of up to 2,000 Rated, Unlisted, Secured, Redeemable, Non-Convertible Debentures having a nominal value of Rs. 10,00,000 each aggregating up to Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) ('Debentures'), redeemable at par, on a private placement basis.
- The Board of Directors of the Company had approved the Issuance of 17,76,65,757 Equity Shares of face value Rs. 10/-, to the existing shareholders of the Company by way of Bonus Issue.
- The Board of Directors of the Company had approved the issuance and allotment of 39,88,262 equity shares upon conversion of 75,00,000 Compulsorily Convertible Preference Shares.
- The Board of Directors of the Company had approved the issuance and allotment of 96,57,423 equity shares for consideration other than cash, of Rs. 592,00,00,000 against outstanding payable;
- The Board of Directors of the Company had approved the composite scheme of arrangement, i.e. restructuring of the pharmaceutical and financial services business, between the Company, Piramal Enterprises Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited and their respective shareholders and creditors.
- The Board of Directors of the Company had approved the investments of up to Rs. 130 crores for 33.33% equity stake, in one or more tranches, through a combination of fresh issuance of equity shares by Yapan Bio Private Limited and purchase of equity stake from the existing promoters of Yapan Bio Private Limited.

We further report that, during the period under review the members of the Company in the Annual General Meeting held on June 21, 2021 accorded its approval for:

- Appointment of Mr. Peter DeYoung and Ms. Nandini Piramal as Whole-Time Directors



- Appointment of Mr. Rajesh Laddha as a Non-Executive Director of the Company
- Appointment of Mr. S. Ramadorai as an Independent Director of the Company
- Appointment of Mr. JairajPurandare as an Independent Director of the Company
- Amendment to the Articles of Association of the Company.
- Ratification of remuneration payable to Cost Auditors
- Issue of secured/ unsecured non-convertible debentures ('Debentures'), in one or more series/ tranches, on private placement basis,

We further report that, during the period under review the members of the Company in the extraordinary general meetings held on October 1, 2021 accorded its approval:

- To create, offer, issue and allot by way of preferential issue, 96,57,423 (Ninety Six Lakhs Fifty Seven Thousand Four Hundred Twenty Three) equity shares of face value of Rs. 10 (Rupees Ten) each of the Company to Piramal Enterprises Limited ('PEL'), shareholder of the Company, at a price of Rs. 613 per Equity Share (including a premium of Rs. 603 per Equity Share) aggregating to Rs. 592,00,00,000 (Rupees Five Hundred Ninety Two Crores) for consideration other than cash i.e. in lieu of Rs. 592,00,00,000 (Rupees Five Hundred Ninety Two Crores) subsisting as payable by the Company to PEL.
- Issuance of 17,76,65,757 Equity Shares of face value Rs. 10/-, to the existing shareholders of the Company by way of Bonus Issue.

Date: 24/05/2022

Place: Mumbai



For N. L. Bhatia & Associates
Practising Company Secretaries
 UIN: P1996MH055800
 UDIN: F005436D000379744

[Handwritten signature] N. L.

Bharat Upadhyay
 Partner
 FCS: 5436
 CP. No. 4457
 P/R No. 700/2020

'ANNEXURE A'**LIST OF OTHER SPECIFIC APPLICABLE LAWS (Including statutory amendments made thereto or amendments thereof for the time being in force):**

1. Foods Standard & Safety Act (FSSA), 2006, Food Safety and Standards Rules, 2011, Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations, 2011
2. The Legal Metrology Act & Legal Metrology (Packaged Commodities) Rules, 2011
3. Gujarat Special Economic Zone Act, 2004
4. Maharashtra Prohibition Act, 1949 (Bombay Act No. XXV of 1949)
5. Tamil Nadu Spirituous Preparations (Control) Rules, 1984
6. National Ambient Air Quality Standards (NAAQS), 2009
7. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
8. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
9. Bio-Medical Waste (Management and Handling) Rules, 1998
10. The Chemical Weapons Convention Act, 2000
11. Ozone Depleting Substance (R&C) Rules, 2000
12. Maharashtra Non-Biodegradable Wastes Act, 2006
13. Pharmaceutical Policy 2002
14. Good Clinical Practice Guidelines
15. NABL Accreditation India Requirements
16. Information Technology Act, 2000
17. Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
18. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules 1975.
19. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
20. The Indian Copyright Act, 1957
21. The Patents Act, 1970
22. The Trade Marks Act, 1999
23. The Drugs and Cosmetics Act, 1940 and Rules thereto
24. The Narcotic Drugs and Psychotropic Substances Act, 1985;
25. The Drugs (Prices Control) Order, 2013
26. Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
27. Maharashtra Shops and Establishments (Regulation of employment and conditions of service) Act, 2017, Rules thereunder and other State Acts and Rules thereunder, including statutory amendments made thereto.
28. Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1971 and applicable State Rules.
29. Industrial Employment (Standing Orders) Act, 1946 and Industrial Employment (Standing Orders) Central Rules, 1946 and applicable State Rules.
30. Employee's State Insurance Act, 1948 and Employees' State Insurance (Central) Rules, 1950 and Employees' State Insurance (General) Regulations, 1950.
31. Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' Provident Fund Scheme, 1952 and Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976.
32. Equal Remuneration Act, 1976 & Equal Remuneration Rules, 1976
33. Maternity Benefit Act, 1961 and applicable State Rules.



34. Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
35. Payment of Wages Act, 1936 and Payment of Wages (Nomination) Rules, 2009 and applicable State Rules.
36. Minimum Wages Act, 1948 and Minimum Wages Rules, 1950 and applicable State Rules.
37. Payment of Gratuity Act, 1972 and applicable State Rules.
38. Bombay Labour Welfare Fund Act, 1953 Rules thereunder and other State Acts and Rules thereunder.
39. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
40. Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.
41. Income Tax Act, 1961, Central Goods and Services Tax Act, 2017, Central Excise Act, 1944 and rules thereunder; State Acts governing Profession Tax, Tax on Trades, Callings and Employments Act and rules thereunder.
42. Environment (Protection) Act, 1986 and E-Waste (Management) Rules, 2016, Batteries (Management & Handling) Rules, 2001.
43. Any other Central and State Acts and Rules made thereunder, as may be applicable



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:22046930AJNJM5506)

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:

- 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.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 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.
- 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.
- 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.
- 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.

Deloitte Haskins & Sells LLP

(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: 22046930AJNJM5506)

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	10.75
(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	100.28
(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
(iii) Other Financial Liabilities	18	0.40	-
(b) Provisions	19	455.56	10.74
(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
(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

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN : 00266092


Vivek Valsaraj
Chief Financial Officer



Tanya Sanish
Company Secretary



Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022

Mumbai, May 24 2022

PIRAMAL PHARMA LIMITED
Statement of Profit and Loss for the year ended March 31, 2022

	Note	For the year ended March 31, 2022	For the period March 04, 2020 To March 31, 2021
	No.	Rs. in Crores	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)	0.82
		0.29	(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)	(1.93)
		6.48	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

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN : 00286092



Vivek Valsaraj
Chief Financial Officer



Tanya Sanish
Company Secretary

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022

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)



Piramal Pharma Limited
Cash Flow Statement for the year ended March 31, 2022

For the year ended March 31, 2022	For the period March 04, 2020 To March 31, 2021
Rs. in Crores	Rs. in Crores

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Non - Current Borrowings	700.00	-
- Receipts	-	-
- Payments	-	-
Proceeds from Current Borrowings	830.78	473.39
- Receipts	(530.80)	(383.01)
- Payments	-	-
Lease payments	(2.11)	(0.77)
- Principal	(0.90)	(0.42)
- Interest	-	785.00
Rights issue proceeds	-	3,448.41
Receipt from issue of equity shares	-	75.00
Proceeds from Compulsorily Convertible Preference Share Issue	(0.10)	-
Payment against lapsed share warrants	(41.13)	(4.29)
Finance Costs Paid	-	100.85
Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	(50.00)	-
Dividend Paid	-	-
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:

- On October 01, 2021, the Company had allotted 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.
- On October 01, 2021, the Company had allotted 3,988,262 equity shares of face value Rs. 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to Rs.75 crores.
- 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
- 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

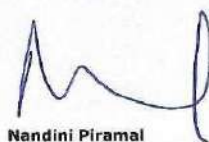
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors



Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 24 2022



Nandini Piramal
Chairperson
DIN : 00286092



Vivek Valsaraj
Chief Financial Officer



Tanya Sanish
Company Secretary

Mumbai, May 24 2022

Piramal Pharma Limited
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	0.10
Issued during the period	0.10
Balance as at March 31, 2021	(0.10)
Lapsed during the year	-
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 : 00286003

Rupen K. Bhatt
Partner
Membership Number: 046930
Mumbai, May 24, 2022

Vivek Valsara
Chief Financial Officer

Tanya Sanish
Company Secretary

Mumbai, May 24, 2022

Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

1. GENERAL INFORMATION

Piramal Pharma Limited (PPL) (including its subsidiaries) is one of India's largest pharmaceutical companies.

In Pharma, through end-to-end manufacturing capabilities across 14 global facilities and a large global distribution network to over 100 countries, The Group sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Products segment in India.

PPL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

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

Historical Cost convention

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value.

ii) Investments in subsidiaries & associates

Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or joint control over those policies.

iii) Common control transactions :

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

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts. The Company has made accounting policy choice to account investment in associates and joint venture at a carrying cost as appearing in the books of acquiree.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of capital employed of the business of transferor is transferred to capital reserve.
- 4) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.



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.



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.



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.



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.



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.



Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

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 of 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.



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 specify 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.



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	4.56	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



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	25.55	2.87	2.71	25.81	12.20	4.60	1.45	15.35	10.46
Total (I)	1,588.45	87.55	46.80	1,729.20	362.81	96.97	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 Promal Enterprises Limited (PEL) (refer note 51). The Company has completed the process of transferring title deeds in its 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 Promal Enterprises Limited is yet to be registered in the name of the Company.
Freehold land located at Digwadi/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



Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

4. Investments

Investments - Non Current:

Investments - Non Current:		As at March 31, 2022		As at March 31, 2021	
Particulars		(Rs. in Crores)		(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		As at March 31, 2021	
	Quantity	Amount (Rs. in Crores)	Quantity	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	-	-



Piramal Pharma Limited
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
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
<p>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.</p>		
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



Piramal Pharma Limited

Notes to financial statements for the year ended March 31, 2022

8. INVENTORIES

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
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:

- The cost of inventories recognised as an expense during the year was Rs. 1,537.18 Crores. (Previous year Rs. 1,275.27 Crores)
- 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.
- Refer note 2(a)(ix) for policy for valuation of inventories.
- Refer note 21 for inventories hypothecated as security against borrowings.

9. TRADE RECEIVABLES

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
Unsecured		
(a) Considered Good	949.50	841.48
Less: Expected Credit Loss on (a)	(1.85)	(1.73)
(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



Piramal Pharma Limited

Notes to financial statements for the year ended March 31, 2022

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
10. CASH AND CASH EQUIVALENTS		
- Cash and Cash equivalents		
i. Balance with Banks :		
- Current Accounts	84.60	146.62
ii. Cash on Hand	0.05	0.11
TOTAL	84.65	146.73
11. OTHER BANK BALANCES		
Margin Money	5.62	5.62
TOTAL	5.62	5.62
12. LOANS - CURRENT (Unsecured and Considered Good)		
AT AMORTISED COST :		
Loans Receivables from Related Parties (refer note 38)	47.32	10.60
TOTAL	47.32	10.60
13. OTHER FINANCIAL ASSETS - CURRENT		
Security Deposits	2.98	4.69
Guarantee Commission receivable	0.44	0.32
Derivative Financial Assets	6.26	16.36
Unbilled revenues #	2.91	21.47
Other Receivables from Related Parties (refer note 38)	12.38	41.64
Interest Accrued	0.14	0.16
Others *	2.37	15.64
TOTAL	27.48	100.28
# Classified as financial asset as right to consideration is unconditional upon passage of time.		
* Previous year mainly includes insurance claim of Rs. 6.42 Crores toward fire at Ennore plant		
14. OTHER CURRENT ASSETS		
Unsecured and Considered Good :		
- Advances	83.04	70.12
Balance with Government Authorities	228.95	161.50
Prepayments	13.97	7.69
Claims Receivable	1.52	4.33
TOTAL	327.48	243.64



15. SHARE CAPITAL

AUTHORISED SHARE CAPITAL

	As at Mar 31, 2022 Rs. in Crores	As at Mar 31, 2021 Rs. in Crores
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 Enterprises 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.



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
- (ii) Redeemable Non Convertible Debenture

248.46
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 *

Nature of Security	Terms of repayment	(Rs. in Crores)	
		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 *

Nature of Security	Particulars	Terms of repayment	(Rs. in Crores)	
			Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu 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
- Fair value measurement of derivative contracts
- Recognition of lease rent expense
- Remeasurement of defined benefit obligation
- Expected Credit Loss on Trade Receivables
- Debt EIR impact
- Expenses that are allowed on payment basis

166.49
1.76
(0.14)
(0.72)
(0.99)
0.58
(9.44)

167.25
4.30
(0.07)
(0.82)
(0.24)
-

Refer Note 49 for movement during the period

157.54

170.42



Piramal Pharma Limited
Notes to financial statements for the year ended March 31, 2022

As at
March 31, 2022
Rs. in Crores

As at
March 31, 2021
Rs. in Crores

21. BORROWINGS - CURRENT

(a) Loans repayable on demand

Secured - At Amortised Cost

Loans from banks :

- Working capital Demand Loan
- Packing Credit Loan

200.03

30.00

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.



Piramal Pharma Limited
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



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.

Revenue by product line/ timing of transfer of goods/ services	(Rs. in Crores)			
	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

Particulars	(Rs. in Crores)	
	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



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
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	<u>1,003.68</u>	<u>986.70</u>
29. PURCHASES OF STOCK-IN-TRADE		
Traded Goods	509.70	183.21
TOTAL	<u>509.70</u>	<u>183.21</u>
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
OPENING STOCKS :		
Work-in-Progress	145.39	
Finished Goods	34.65	
Stock-in-trade	1.73	181.77
BALANCE ACQUIRED AS AT MARCH 4, 2020 (refer note 51) :		
Work-in-Progress	-	193.04
Finished Goods	-	46.59
Stock-in-trade	-	239.63
CLOSING STOCKS :		
Work-in-Progress	196.18	145.39
Finished Goods	15.75	34.65
Stock-in-trade	0.01	1.73
TOTAL	<u>(30.17)</u>	<u>57.86</u>
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	<u>425.30</u>	<u>395.15</u>
32. FINANCE COSTS		
Finance Charge on financial liabilities measured at amortised cost	53.36	4.71
Other borrowing costs	0.19	-
TOTAL	<u>53.55</u>	<u>4.71</u>



Piramal Pharma Limited
Notes to Statement of Profit and Loss for the year ended March 31, 2022

	For the year ended March 31, 2022 Rs. in Crores	For the period March 04, 2020 To March 31, 2021 Rs. in Crores
33. OTHER EXPENSES		
Processing Charges		
Consumption of Stores and Spares Parts	8.94	8.58
Consumption of Laboratory materials	53.97	47.50
Power, Fuel and Water Charges	48.56	44.83
Repairs and Maintenance	68.97	68.08
Buildings		
Plant and Machinery	26.63	16.71
Others	38.97	33.79
Rent	0.32	0.04
Premises		
Other Assets	0.41	4.90
Rates & Taxes	9.20	6.10
Insurance		
Travelling Expenses	40.09	15.57
Directors' Commission	17.37	13.02
Directors' Sitting Fees	19.75	15.40
Expected Credit Loss on Trade Receivables	0.72	0.45
Loss due to fire	0.28	0.03
Loss on Sale of Property Plant & Equipment (Net)	2.64	10.57
Advertisement and Business Promotion Expenses	-	5.74
Donations	0.91	-
Freight	122.94	85.53
Export Expenses	8.63	1.49
Clearing and Forwarding Expenses	52.50	42.10
Communication and Postage	1.18	2.25
Printing and Stationery	0.25	5.74
Claims	4.93	5.96
Legal Charges	4.80	4.56
Professional Charges	-	3.99
Royalty Expense	1.78	1.70
Service Charges (Previous year include corporate Expense allocation pertaining to pharma business transferred to the Company Rs. 27.43 Crores)	36.70	29.18
Information Technology Costs	15.20	26.26
R & D Expenses (net)	94.83	101.29
Miscellaneous Expenses	19.76	7.05
	61.94	69.14
	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 Applicable

- Nature of CSR activities - Education programme in Districts of Jharkhand, Chhattisgarh, Uttarakhand, Odisha, Andhra Pradesh, Karnataka, Kerala, 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



PIRAMAL PHARMA LIMITED

Notes to financial statements for year ended March 31, 2022

	As at March 31, 2022 Rs. in Crores	As at March 31, 2021 Rs. in Crores
36 Contingent Liabilities and Commitments		
A Contingent Liabilities :		
i. Appeals filed in respect of disputed demands:		
Sales Tax	1.06	1.06
Central / State Excise / Service Tax / Custom	23.76	13.38
Labour Matters	1.56	1.10
Stamp Duty	-	9.37
Claim by third party against the company not acknowledge as debt	11.86	3.00
Note: Future cash outflows in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
ii. Unexpired Letters of Credit	2.36	0.28
B Commitments :		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	32.99	34.07
b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	28.38	12.96
Refer note 38.3 for performance guarantees		



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.

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

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Employer's contribution to Regional Provident Fund Office	1.64	0.79
Employer's contribution to Superannuation Fund	0.20	0.08
Employer's contribution to Employees' State Insurance	0.42	0.21
Employer's contribution to Employees' Pension Scheme 1995	4.85	2.24
Employer's contribution to National Pension Scheme	0.75	0.32

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 31 & 33)
 The amounts mentioned above excludes charge to Statement of Profit and Loss on account of common control acquisition.



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

II. Disclosures for defined benefit plans based on actuarial valuation reports:

A. Change in Defined Benefit Obligation

Particulars	(Rs. in Crores)		(Rs. in Crores)	
	(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

Particulars	(Rs. in Crores)		(Rs. in Crores)	
	(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

Particulars	(Rs. in Crores)		(Rs. in Crores)	
	(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

Particulars	(Rs. in Crores)		(Rs. in Crores)	
	(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).



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022
E. Expenses Recognized in the Other Comprehensive Income/(Losses) (OCI)

Particulars	(Rs. in Crores)	
	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	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:

Particulars	(Rs. in Crores)	
	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

Particulars	(Rs. in Crores)			
	Gratuity	Provident Fund	Gratuity	Provident Fund
	As at March 31, 2022	As at March 31, 2021	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	(Rs. in Crores)	
	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



PIRAMAL PHARMA LIMITED

Notes to financial statements for the year ended March 31, 2022

J. Cash Flow Projection: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting	(Rs. in Crores)	
	Gratuity Estimated for year ended March 31, 2022	Gratuity 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

Projected Benefit Obligation	(Rs. in Crores)	
	Gratuity As at March 31, 2022	Gratuity 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)



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 (PFPT)

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. Jalraj 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



PIRAMAL PHARMA LIMITED

Notes to financial statements for the year ended March 31, 2022

2. Details of transactions with related parties.

(Rs. in Crores)

Details of Transactions	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														
- PCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- PCCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Healthcare UK	-	-	-	-	17.46	21.60	-	-	-	-	-	4.65	-	4.65
- Hemmo Pharmaceuticals Private Limited	-	-	-	-	0.49	(0.09)	-	-	-	-	-	-	17.46	21.60
- Piramal Healthcare, Canada	-	-	-	-	-	-	-	-	-	-	-	-	0.49	(0.09)
- PEL	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-
TOTAL	-	49.80	-	-	17.95	21.55	-	-	-	-	-	4.65	17.95	21.55
Sale of Goods														
- Allergan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Healthcare UK	-	-	-	-	-	-	-	-	66.06	60.22	-	-	66.06	60.22
- PCCI	-	-	-	-	17.52	15.73	-	-	-	-	-	-	17.52	15.73
- Piramal Healthcare, Canada	-	-	-	-	90.00	103.14	-	-	-	-	-	-	90.00	103.14
- Piramal Critical Care Limited	-	-	-	-	2.22	14.23	-	-	-	-	-	-	2.22	14.23
- Piramal Critical Care BV	-	-	-	-	3.71	1.90	-	-	-	-	-	-	3.71	1.90
- Ash Stevens	-	-	-	-	18.07	17.60	-	-	-	-	-	-	18.07	17.60
- PEL	-	-	-	-	0.95	0.45	-	-	-	-	-	-	0.95	0.45
TOTAL	925.96	373.27	-	-	130.47	153.05	-	-	66.06	60.22	-	-	925.96	373.27
Rendering of Services														
- Piramal Healthcare UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- PHL Fininvest	-	-	-	-	-	32.18	-	-	-	-	-	-	-	32.18
- Piramal Asset Management Private Limited	-	-	0.60	-	-	-	-	-	-	-	-	-	0.60	-
- Piramal Capital & Housing Finance Limited	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13	-
- PGP Glass Private Limited	-	-	0.17	-	-	-	-	-	-	-	-	-	0.17	-
- Piramal Healthcare, Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Ash Stevens	-	-	-	-	3.32	-	-	-	-	-	0.05	-	3.32	-
TOTAL	-	-	0.90	-	8.40	32.19	-	-	-	-	0.05	-	8.40	32.19
Dividend Received														
- Allergan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	90.65	124.54	-	-	90.65	124.54
Dividend Paid														
- Piramal Enterprises Limited	39.94	-	-	-	-	-	-	-	90.65	124.54	-	-	90.65	124.54
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 (Suite) 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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



Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the period was as follows:

Particulars	2022	2021
Short term employee benefits	8.46	1.00
Post-employment benefits	0.22	0.90
Other long-term benefits	-	-
Commission and other benefits to non-executive/independent directors	0.22	0.43
Total	8.90	2.33

Payments made to the directors and other members of key managerial personnel are approved by Board of Directors.

3. Balances of related parties.

Account Balances	Holding company		Fellow subsidiaries		Subsidiaries		Joint Ventures		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 B.V.	-	-	-	-	712.38	965.94	-	-	-	-	-	-	712.38	965.94
- PEL Pharma Inc.	-	-	-	-	91.19	-	-	-	-	-	-	-	91.19	-
- Henrice Pharmaceuticals Private Limited	-	-	-	-	25.69	-	-	-	-	-	-	-	25.69	-
- Convergence	-	-	-	-	9.50	17.47	-	-	-	-	-	-	9.50	17.47
TOTAL	-	-	-	-	838.97	1003.41	-	-	-	-	-	-	838.97	1003.41
Other receivable from related party														
- Piramal Healthcare UK	-	-	-	-	0.06	0.35	-	-	-	-	-	-	0.06	0.35
- Piramal Healthcare LLC	-	-	-	-	-	1.67	-	-	-	-	-	-	-	1.67
- PHL Private Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Asset Management Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Capital & Housing Finance Limited	-	-	0.43	0.29	-	-	-	-	-	-	-	-	0.43	0.29
- PGP Glass Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- PEL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	11.67	19.92	0.43	0.29	0.09	1.83	-	-	-	-	0.65	-	11.67	19.92
Trade Receivables														
- Piramal Healthcare UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- PCCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care Limited	-	-	-	-	35.52	46.51	-	-	-	-	-	-	35.52	46.51
- Piramal Critical Care BV	-	-	-	-	8.55	4.36	-	-	-	-	-	-	8.55	4.36
- Piramal Healthcare, Canada	-	-	-	-	-	22.69	-	-	-	-	-	-	-	22.69
- PEL	-	-	-	-	0.85	22.68	-	-	-	-	-	-	0.85	22.68
- Allergan	-	-	-	-	2.53	0.34	-	-	-	-	-	-	2.53	0.34
TOTAL	341.66	214.69	-	-	47.45	69.62	-	-	10.15	13.40	-	-	341.66	214.69
Advance to Vendor														
- PCCI Inc.	-	-	-	-	-	3.60	-	-	-	-	-	-	-	3.60
TOTAL	-	-	-	-	-	3.60	-	-	-	-	-	-	-	3.60
Trade Payable														
- Piramal Pharma Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Healthcare UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- PCCI	-	-	-	-	0.18	0.17	-	-	-	-	-	-	0.18	0.17
- PCCI	-	-	-	-	5.55	1.38	-	-	-	-	-	-	5.55	1.38
- Piramal Critical Care BV	-	-	-	-	19.45	12.32	-	-	-	-	-	-	19.45	12.32
- PGL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Pharma Solutions Inc.	-	-	-	-	0.98	-	-	-	-	-	-	-	0.98	-
- Piramal Healthcare Inc.	-	-	-	-	-	-	-	-	-	-	7.10	-	-	-
- PEL Pharma Inc.	-	-	-	-	0.94	0.04	-	-	-	-	-	-	0.94	0.04
- PEL	-	-	-	-	6.92	-	-	-	-	-	-	-	6.92	-
- Ash Stevens	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	76.11	129.24	-	-	23.23	22.02	-	-	-	-	7.10	(0.06)	76.11	129.24
Guarantee Commission Receivable														
- Piramal Healthcare UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Convergence	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care Limited	-	-	-	-	0.20	0.31	-	-	-	-	-	-	0.20	0.31
TOTAL	-	-	-	-	0.20	0.31	-	-	-	-	-	-	0.20	0.31
Contingent Liabilities														
Guarantees Outstanding														
- Piramal Healthcare UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Piramal Critical Care Limited	-	-	-	-	454.79	438.69	-	-	-	-	-	-	454.79	438.69
TOTAL	-	-	-	-	454.79	438.69	-	-	-	-	-	-	454.79	438.69
Consideration Payable on account of Business Transfer (refer note 15 and note 51)														
- PEL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount below rounding off norms adopted by Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

- 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.

41 Particulars	(Rs. in Crores)	
	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, 2005 ("MSMED Act") are as under:

Particulars	(Rs. in Crores)	
	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:

Subsidiary Companies	(Rs. in Crores)	
	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:

Subsidiary Companies	(Rs. in Crores)	
	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.



PIRAMAL PHARMA LIMITED

Notes to the Consolidated financial statements for the year ended March 31, 2022

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

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	(Rs. in crores) 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

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	(Rs. in crores) 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

Particulars	(Rs. in crores) For the year ended March 31, 2022	(Rs. in crores) 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:

Particulars	(Rs. in crores) As at March 31, 2022	(Rs. in crores) 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	-



PIRAMAL PHARMA LIMITED**Notes to financial statements for the year ended March 31, 2022****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



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

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	-



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

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.

Maturities of Financial Assets	March 31, 2022				(Rs. in Crores)
	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	-	-	

Maturities of Financial Assets	March 31, 2021				(Rs. in Crores)
	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:

Particulars	March 31, 2021		(Rs. in Crores)
	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.



c. Foreign Currency Risk Management

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the effectiveness of the treasury function.
The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Derivatives outstanding as at the reporting date

Firm commitment and highly probable forecast transaction	As at March 31, 2022		As at March 31, 2021	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
Forward contracts to sell USD / INR	130.00	1,007.25	113.00	848.02

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

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade receivables		Trade receivables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	0.43	2.43	0.03	0.14
CAD	7.30	44.15	7.45	43.24
EUR	4.58	38.60	6.66	57.13
GBP	0.78	7.71	0.53	5.39
SGD	0.08	0.43	0.15	0.80
USD	53.78	407.66	63.11	461.41

Currencies	As at March 31, 2022		As at March 31, 2021	
	Trade payables/(advance to supplier)		Trade payables	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
AUD	*	0.02	*	0.01
CAD	*	(0.01)	*	0.03
CHF	(0.01)	(0.07)	0.03	0.20
EUR	0.13	1.12	1.10	9.42
GBP	0.20	1.94	0.49	4.92
SEK	0.43	0.10	0.77	0.18
USD	0.03	0.02	0.03	0.02
NZD	13.56	102.75	24.25	177.27
JPY	0.03	*	*	*
SGD	4.16	0.26	0.23	0.02
AED	*	*	*	*
	0.07	0.14	0.04	0.08

* Amounts are below the rounding off norms adopted by the Company

Currencies	As at March 31, 2022		As at March 31, 2021	
	Loan from Banks		Loan from Banks	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	-	-	8.23	60.20

Currencies	As at March 31, 2022			
	Loan & Interest Receivable from Related Parties		Current Account Balances Receivable /(Payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	103.02	780.47	0.02	0.14
GBP	2.00	19.92	-	-

Currencies	As at March 31, 2021			
	Loan & Interest Receivable from Related Parties		Current Account Balances Receivable /(Payable)	
	FC in Millions	Rs. in Crores	FC in Millions	Rs. in Crores
USD	83.01	606.94	0.24	1.75



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022
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

	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 ineffectiveness	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

	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 ineffectiveness	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:

	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	-	-

	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	-	-



PIRAMAL PHARMA LIMITED

Notes to financial statements for the year ended March 31, 2022

(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



PIRAMAL PHARMA LIMITED**Notes to financial statements for the year ended March 31, 2022**

- 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*		
TOTAL	138.26	102.99
	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.



49 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

Particulars	(Rs. in Crores)	
	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

Particulars	(Rs. in Crores)	
	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

Particulars	(Rs. in Crores)			
	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

Particulars	(Rs. in Crores)			
	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)



e) The income tax expense for the period can be reconciled to the accounting profit as follows.

Particulars	(Rs. in Crores)	
	For the year ended March 31, 2022	For the period March 04, 2020 to March 31, 2021
Profit before tax		
Profit recognised on account of common control acquisition (refer note 51)	424.23	686.78
Profit before tax	-	282.02
Income tax expense calculated at 25.17%	424.23	404.76
Income tax expense recognised in statement of profit and loss	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



50 Fair Value Measurement

a) Financial Instruments by category (net of ECL provision) :

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.

Financial Assets	March 31, 2022					(Rs. in Crores)
	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

Financial Liabilities	March 31, 2022					(Rs. in Crores)
	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

Financial Assets	March 31, 2021					(Rs. in Crores)
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Other Financial Assets						
Derivative Financial Assets	ii.	16.36	-	16.36	-	16.36

Notes :

- This includes mutual funds which are fair valued using quoted prices and closing NAV in the market.
- This includes forward exchange contracts the fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date.
- 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.



PIRAMAL PHARMA LIMITED
Notes to financial statements for the year ended March 31, 2022

- 51 During the previous year, The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had approved:
- 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.
 - 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)



52 Trade Receivables ageing (#)

As at March 31, 2022

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	(Rs. in Crores) 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

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	(Rs. in Crores) 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

Particulars	Outstanding for following periods from due date of payment					(Rs. in Crores) 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

Particulars	Outstanding for following periods from due date of payment					(Rs. in Crores) 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)



Notes to financial statements for the year ended March 31, 2022

54 Ageing for Capital work in-progress (CWIP)

i. Ageing for Capital work in-progress (CWIP) as at March 31, 2022

Capital work in-progress (CWIP)	Amount in CWIP for a period of				Rs. In Crores
	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

Capital work in-progress (CWIP)	Amount in CWIP for a period of				Rs. In Crores
	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

Capital work in-progress (CWIP)		To be completed in				Rs. In Crores
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<u>Projects in progress</u>						
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

Capital work in-progress (CWIP)		To be completed in				Rs. In Crores
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
<u>Projects in progress</u>						
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	-	-	



55 Ageing for Intangible Asset Under Development (IAUD)

i. Ageing for Intangible Assets under Development (IAUD) as at March 31, 2022

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				Rs. In Crores
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
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

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				Rs. In Crores
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
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

Intangible Assets under Development (IAUD)	To be completed in				Rs. In Crores
	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

Intangible Assets under Development (IAUD)	To be completed in				Rs. In Crores
	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) Payable Net Worth + Total Debt + Deferred Tax Liability



PIRAMAL PHARMA LIMITED**Notes to financial statements for the year ended March 31, 2022**

- 57 The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- 58 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 59 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 60 The Company has not traded or invested in crypto currency.
- 61 There are no material discrepancies between amount of current assets submitted to banks and financial institutions in quarterly returns and amount as per books of accounts.
- 62 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 63 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 64 The Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

(Rs. In Crores)			
Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
Central Agency & Services Private Limited	Receivables	0.01	Customer
Wellink 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 Limited	Payable	0.01	Vendor
Wellink 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.



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



Nandini Piramal
Chairperson
DIN : 00286092

A handwritten signature in blue ink, likely belonging to Vivek Valsaraj.

Vivek Valsaraj
Chief Financial Officer

A handwritten signature in blue ink, likely belonging to Tanya Sanish.

Tanya Sanish
Company Secretary

Mumbai, May 24, 2022

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting ('AGM') of the Members of Piramal Pharma Limited will be held on Thursday, 28th July, 2022 at 4:00 p.m. Indian Standard Time ('IST') at the registered office of the Company at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400070, at shorter notice to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2022 and the Reports of the Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Peter DeYoung (Director Identification No. 07152550), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Mr. Vivek Valsaraj as Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vivek Valsaraj (DIN: 06970246), who was appointed as a director in casual vacancy with effect from February 09, 2022 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act and Articles of Association of the Company, and who is eligible for appointment as a Director of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT approval of the Members be accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

5. To consider appointment of Mr. Vivek Valsaraj Whole-Time Director of the Company

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT subject to and in accordance with the provision of Sections 152, 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the approval of the Members be and is hereby accorded towards the appointment of Mr. Vivek Valsaraj (Director Identification Number 06970246) as Whole-Time Director, designated as ‘Executive Director’ of the Company, liable to retire by rotation, for a term of three years effective from February 9, 2022, upon the terms and conditions including payment of remuneration, perquisites and benefits as set out in the draft of the agreement to be entered into between the Company and Mr. Vivek Valsaraj and main terms of which are set out hereunder, which have been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors, which draft agreement is hereby approved, with liberty and power to the Board of Directors (‘the Board’ which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) to re-designate him and/or reallocate his duties and responsibilities and to grant annual increments and to alter and vary from time to time the terms and conditions of Mr. Valsaraj’s appointment, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Valsaraj subject to the applicable provisions of the Act, including Schedule V thereof:

- a. **Basic Salary:** Rs. 73,58,915 p.a. (i.e. Rs. 6,13,243 per month)
- b. **Perquisites and Allowances:** Mr. Valsaraj will be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, Leave Travel Allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/or contribution to gratuity fund, chauffeur driven Company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time;

PROVIDED HOWEVER THAT the Total Fixed Pay (as defined hereinbelow) for FY 2021-22 shall not exceed Rs. 1,83,97,288 per annum, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of his appointment, subject to the applicable provisions of Schedule V of the Act as may be amended from time to time; PROVIDED THAT such annual increments and/ or revisions shall not exceed 30% per annum of Mr. Valsaraj’s last drawn Total Fixed Pay or such other amount as may approved by the Board from time to time;

PROVIDED FURTHER THAT the limits referred to herein shall not apply to those components of his perquisites which, as per Company Policy in force from time to time, are reimbursable at actuals;

Total Fixed Pay: For the purpose of this resolution, the term 'Total Fixed Pay' shall mean the aggregate of and shall include all fixed components (including basic salary) of Mr. Valsaraj's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive;

- c. **Performance Linked Incentive:** In addition to Total Fixed Pay, Mr. Valsaraj shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Act, taking into consideration various criteria, including the performance of Mr. Valsaraj and the performance of the Company PROVIDED THAT the total Performance Linked Incentive shall not exceed 75% p.a. of the last drawn Total Fixed Pay or such other amount as may approved by the Board from time to time;
- d. **ESOP:** In addition to Total Fixed Pay and Performance Linked Incentive, Mr. Valsaraj shall also be entitled to Employee Stock Options ('ESOP') for each financial year or part thereof, under the ESOP plan of the Company and / or its parent company (as may be applicable), in force from time to time;

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Mr. Valsaraj shall be entitled to receive the aforesaid remuneration, perquisites, performance linked incentive and benefits on the same terms as set out above, subject to compliance with the applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT approval of the Members be accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

6. To continue the directorship of Mr. S. Ramadorai as an Independent Director of the Company for the remaining period of term:

To consider and if thought fit, to pass the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, consent of Members of the Company be and is hereby accorded for continuation of directorship of Mr. S. Ramadorai (DIN: 00000002),

who had attained the age of 75 years, for the remaining period of his existing term of directorship as an Independent Director of the Company.”

7. Appointment of Mr. Sridhar Gorthi as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sridhar Gorthi (Director Identification Number: 00035824), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 30, 2022 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from March 30, 2022 to March 29, 2027.

RESOLVED FURTHER THAT approval of the Members be accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

8. Appointment of Mr. Peter Stevenson as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Peter Stevenson (Director Identification Number: 09544706), who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 30, 2022 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from March 30, 2022 to March 29, 2027;

RESOLVED FURTHER THAT approval of the Members be accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

9. Appointment of Ms. Nathalie Leitch as Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Nathalie Leitch (Director Identification Number: 09557042), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 24, 2022 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and who is eligible for appointment as Director of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director (Non-Executive Non-Independent) Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT approval of the Members be accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

10. Issue of Non-Convertible Debentures on Private Placement Basis

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable, approval of the Members be and is hereby accorded to the Board of Directors of the Company (‘the Board’, which term shall include its duly empowered Committee constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), to offer or invite subscriptions for secured/ unsecured non-convertible debentures (‘Debentures’), in one or more series/ tranches, on private

placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto PROVIDED THAT the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the Debentures, and outstanding at any point of time, shall be within the overall borrowing limit as approved by the Members under Section 180(1)(c) of the Act;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company.”

11. Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 ('the Act') and the applicable Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members be and is hereby accorded for payment of commission to the Non-Executive Directors ('NEDs') (including Independent Directors ('IDs')) of the Company in case of no profits/inadequate profits in accordance with the limits prescribed under Schedule V of the Act and the same be paid to and distributed amongst the said NEDs (including IDs) of the Company in such amounts or proportions and in such manner as may be directed by the Board of Directors of the Company ('the Board' which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) at the end of each financial year for a period of 3 years commencing from the financial year ended on March 31, 2022;

RESOLVED FURTHER that the above commission shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company.”

12. Adoption of the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to applicable provisions of Section 62(1)(b) of the Companies Act, 2013 (“Act”), Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and other applicable provisions of the Act and SEBI (Share Based Employee Benefits and Sweat Equity)

Regulations, 2021, Foreign Exchange Management Act, 1999, for the time being in force, as may be modified from time to time, and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) as may be applicable (“Applicable Laws”), the relevant provisions of the Memorandum of Association and Articles of Association of Piramal Pharma Limited (“Company”) and further subject to such other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the relevant authorities, the Members of the Company be and hereby grant approval for the adoption of the ‘Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022’ (“Plan 2022”) by the Company, which shall be implemented through a trust to be set up by the Company, and to create, offer, issue and allot employee stock options (“ESOPs”) and share appreciation rights (“SARs”) to eligible employees under the Plan 2022, the salient features of which are furnished in the Explanatory Statement to the Notice issued to the Members of the Company, and to grant the ESOPs and SARs to the eligible employees on such terms and conditions as provided in the Plan 2022 and as may be fixed or determined by the Board of Directors of the Company (“Board” which expression shall also include the Nomination and Remuneration Committee and any other duly authorized Committee that may be constituted by the Board to exercise the powers conferred by this resolution) in accordance with the Act and other Applicable Laws;

RESOLVED FURTHER THAT the maximum number of ESOPs and SARs to be granted to eligible employees on such terms and conditions as provided in the Plan 2022 and as may be fixed or determined by the Board shall not exceed (i) 59,295,675 ESOPs, corresponding to 59,295,675 equity shares of the Company, being 5% (Five percent) of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Plan 2022 (subject to adjustments); and (ii) 29,647,838 SAR units, corresponding to 29,647,838 equity shares of the Company, being 2.5% (Two and a half percent) of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Plan 2022 (subject to adjustments), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board;

RESOLVED FURTHER THAT the Board be and is hereby authorised to grant ESOPs and SARs under the Plan 2022;

RESOLVED FURTHER THAT the Plan 2022 be implemented through a trust to be set up by the Company, which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to this above resolution;

RESOLVED FURTHER THAT pursuant to the Applicable Law, the approval of the Members be and is hereby granted, and the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Plan 2022 from time to time or to suspend, withdraw or revive the Plan 2022 from time to time, as may be specified by any statutory authority and/or to give effect to any laws, rules, regulations, amendment(s) thereto, provided that such changes are not detrimental to the eligible employees and is in accordance with Applicable Laws, and to do all other acts, deeds, matters and things as are necessary to give effect to the above resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the members of the Company in this regard;

RESOLVED FURTHER THAT any Director of the Company or Key Managerial Personnel be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

13. Adoption of the ‘Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022’ and extending the benefits to the employees of the holding and subsidiary companies of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to applicable provisions of Section 62 of the Companies Act, 2013 (“Act”), Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable provisions of the Act for the time being in force and as may be modified from time to time, and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) as may be applicable (“Applicable Laws”), the relevant provisions of the Memorandum of Association and Articles of Association of Piramal Pharma Limited (“Company”) and further subject to such other approvals, consent, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the relevant authorities, the Members of the Company be and hereby grant approval for the adoption of the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 (“Plan 2022”) by the Company, and the Board of Directors of the Company (“Board” which expression shall also include the Nomination and Remuneration Committee and any other duly authorized Committee that may be constituted by the Board to exercise the powers conferred by this resolution) be and is hereby authorized to create, offer, grant, issue and allot in one or more tranches under the Plan 2022 at any time to or for the benefit of the eligible employees of subsidiary company in or outside India (as defined in the Act) or of a holding company (as defined in the Act), such number of employee stock options (“ESOPs”) exercisable into equity shares of the Company not exceeding 59,295,675 ESOPs and/or share appreciation rights (“SARs”) not exceeding 29,647,838 units corresponding to 29,647,838 equity shares of the Company, under the Plan 2022 and, at such price as may be fixed or determined by the Board in accordance with the Act and other Applicable Laws;

RESOLVED FURTHER THAT the Plan 2022 shall be implemented through a trust to be set up by the Company, which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board;

RESOLVED FURTHTER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and to delegate all or any of the powers herein vested in the Board to any director(s), officer(s) of the Company as may be required to give effect to this above resolution;

RESOLVED FURTHER THAT pursuant to the Act, the approval of the Members be and is hereby granted, and the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Plan 2022 from time to time or to suspend, withdraw or revive the Plan 2022 from time to time, as may be specified by any statutory authority and/or to give effect to any laws, rules, regulations, amendment(s) thereto, provided that such changes are not detrimental to the eligible employees, and to do all other acts, deeds, matters and things as are necessary to give effect to the above resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the members of the Company in this regard;

RESOLVED FURTHER THAT any Director of the Company or Key Managerial Personnel be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

14. Approval for implementing the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 through trust route

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to applicable provisions of the Companies Act, 2013 (the “Act”), and the rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including any statutory modification(s) or re-enactment(s) thereof and such other laws, rules and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) as may be applicable (“Applicable Laws”), the relevant provisions of the Memorandum of Association and Articles of Association of Piramal Pharma Limited (“Company”) and further subject to such other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions and modifications as may be prescribed or imposed by the relevant authorities, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (“Board”, which expression shall also include Nomination and Remuneration Committee and any other duly authorized Committee that may be constituted by the Board to exercise the powers conferred by this resolution) to implement the “Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022” (“Plan 2022”)

through a trust to be set up by the Company, which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board (hereinafter referred to as “Trust”) and the Trust to acquire, purchase, hold and deal in fully paid-up equity shares of the Company, either through direct allotment by the Company or through secondary acquisition (post listing of the shares of the Company on a recognized stock exchange as defined under Securities Contracts (Regulation) Act, 1956, as amended) for the purpose of implementation of the Plan 2022 and in due compliance with the provisions of the Act and other Applicable Laws;

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further consent or approval of the Members and the Board be and is hereby further authorised to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution;

RESOLVED FURTHER THAT any Director of the Company or Key Managerial Personnel be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

15. Acquisition of shares of the Company for the purposes of Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT Section 62(1)(b) read with the Companies (Share Capital and Debenture) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and all other applicable provisions including but not limited to the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other rules, regulations, circulars and guidelines as may be applicable, and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“the Board”, which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to the trust to be set up the Company, which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board (hereinafter referred to as “Trust”) administering and implementing the “Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022” (“Plan 2022”) to acquire equity shares of the Company, in one or more tranches, either through direct allotment by the Company or through secondary acquisition (post listing of the shares of the Company on a recognized stock exchange as defined under Securities Contracts (Regulation) Act, 1956, as amended (“Listing”) for the purposes of implementing the Plan 2022;

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, offer, grant, issue and allot up to (i) 59,295,675 employee stock options (“ESOPs”), corresponding to 59,295,675 equity shares of the Company, being 5% (Five percent) of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Plan 2022 (subject to adjustments); and (ii) 29,647,838 share appreciation rights (“SARs”) units corresponding to 29,647,838 equity shares of the Company, being 2.5% (Two and a half percent) of the paid-up equity share capital of the Company on a fully diluted basis as on the date of the adoption of the Plan 2022 (subject to adjustments), at such price, in one or more tranches, in such manner and on such other terms and conditions as may be fixed or determined by the Board in accordance with the Act and other Applicable Laws;

RESOLVED FURTHER THAT the approval be and is hereby granted to the Trust to acquire equity shares of the Company through secondary acquisition within the limits as may be prescribed under the Applicable Laws;

RESOLVED FURTHER THAT for the purpose of bringing into effect the matters in relation to the direct allotment and/ or secondary acquisition (post Listing) and generally for giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the above and to settle any question or difficulty that may arise in this regard in the best interest of the Company.”

RESOLVED FURTHER THAT any Director of the Company or Key Managerial Personnel be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

16. Granting loan and/ or providing guarantee or security for purchase of the shares of the Company by the Trust / Trustees of the Trust for the benefit of the employees under the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and Section 67 read with the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and all other applicable provisions including but not limited to the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, (collectively referred to as the ‘SEBI SBEB Regulations’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other rules, regulations, circulars and guidelines as may be applicable, and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (‘the Board’, which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), the approval of the Members be and is hereby accorded to the Board to grant loan and/ or to provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the a trust to be set up by the Company,

which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board (hereinafter referred to as “Trust”) in one or more tranches, up to an amount not exceeding 5% (five percent) of the aggregate of the paid up share capital and free reserves of the Company for the purpose of subscription and/ or purchase of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 (“Plan 2022”) and permitted under Applicable Laws prevailing from time to time;

RESOLVED FURTHER THAT the Trustees of the Trust shall ensure compliance of Applicable Laws at all times in connection with dealing with the shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for the purpose of giving effect to this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company.”

RESOLVED FURTHER THAT any Director of the Company or Key Managerial Personnel be and is hereby authorised to certify a copy of this resolution and issue the same to all concerned parties.”

17. Ratification of remuneration payable to Cost Auditors

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. G. R. Kulkarni, Cost Accountants, Mumbai (Registration No. 00168), appointed by the Board of Directors of the Company (‘the Board’, which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2023, amounting to ₹ 10 Lakhs per annum plus applicable taxes and reimbursement of actual travel and out of pocket expenses, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company.”

NOTES:

1. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM.

A Member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the AGM is annexed hereto. A statement providing additional details of the Directors who are seeking appointment/re-appointment at the 2nd AGM, is annexed herewith as required under the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.
4. Route map giving directions to reach the venue of the 2nd AGM is given at the end of the Notice.
5. All the documents referred to in the accompanying Notice and Explanatory Statement, shall be available for inspection through electronic mode, basis the request being sent on vivek.valsaraj@piramal.com, upto the date of the AGM and shall also be available at the venue during the AGM.

Registered Office:

Gr Flr., Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
Kurla (West),
Mumbai – 400 070.
Dated: 27th July, 2022

By Order of the Board

Vivek Valsaraj
Chief Financial Officer and Director

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 and 5

Appointment of Mr. Vivek Valsaraj as Whole-Time Director of the Company

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on February 8, 2022 appointed Mr. Vivek Valsaraj (DIN: 06970246) as director in casual vacancy, with effect from February 09, 2022, caused due to resignation of Mr. Rajesh Laddha.

A notice in writing, under Section 160 of the Companies Act, 2013 ('the Act'), has been received from a Member proposing the candidature of Mr. Valsaraj for the office of Director of the Company.

Mr. Valsaraj is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Further, at the same meeting, the Board of Directors appointed Mr. Vivek Valsaraj as a Whole-Time Director, designated as 'Executive Director' of the Company for a term of three years effective from February 9, 2022, liable to retire by rotation, and approved the terms and conditions of his appointment, including payment of remuneration, subject to approval of the Members at the AGM.

The terms of remuneration of Mr. Valsaraj are in accordance with the Remuneration Policy of the Company.

The terms and conditions, including remuneration payable to Mr. Valsaraj are contained in the draft agreement proposed to be entered into by the Company with Mr. Valsaraj, main terms of which are set out in the resolution at Item No. 4 of the accompanying Notice.

Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 is provided in Annexure A and the information as required under Secretarial Standard – 2 (Secretarial Standards on General Meetings) is provided in Annexure B to this Notice.

Except Mr. Valsaraj, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board is of the opinion that Mr. Valsaraj's knowledge, expertise and experience will be of immense benefit and value to the Company and, therefore, recommends the Ordinary Resolution set out at Item No. 4 and Special Resolution set out at Item No. 5 of the Notice, for the approval of the Members.

Item No. 6

Continue the directorship of Mr. S. Ramadorai as an Independent Director of the Company for the remaining period of term

The Members are being informed that in terms of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, as amended from time to time, consent of the members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of 75 years.

The Board of Directors had appointed Mr. S. Ramadorai as Additional Director of the Company in its meeting held on February 9, 2021 in compliance of section 149 of the Companies Act, 2013 and the appointment was approved by the shareholders for a term of five years from February 9, 2021 to February 8, 2026, at the 1st Annual General Meeting of the Company held on June 21, 2021.

Currently, Mr. Ramadorai, is aged 77 years. In view of the Demerger plans and Listing of the shares of the Company on Stock Exchanges and in order to comply with the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, as maybe amended, it is proposed to seek consent of the Members, by the way of a Special Resolution, for the continuation of Mr. Ramadorai's appointment as an Independent Director for this current term.

The Board acknowledges that Mr. Ramadorai is stalwarts in his respective areas of operation and a leader par excellence. He brings to the table rich and varied expertise including financial, scientific and technological expertise and unmatched business acumen. The continuation of Mr. Ramadorai as Independent Director will therefore be in the best interest of the Company.

Details of Mr. Ramadorai as required to be provided pursuant to Regulations 36(3) of the Listing Regulations are provided as in Annexure – B to this Notice.

Mr. S. Ramadorai is not related to any Director or Key Managerial Personnel ('KMP') of the Company in any way and in the opinion of the Board of Directors and is independent of management.

Except Mr. S. Ramadorai, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for the approval of the Members

Item No. 7 & 8

Appointment of Independent Directors of the Company

The Board of Directors had appointed Mr. Sridhar Gorthi and Mr. Peter Stevenson as Additional Directors of the Company and had also recommended their appointment as Independent Directors, not liable to retire by rotation, for a term of five years from March 30, 2022 to March 29, 2027, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company, Mr. Sridhar Gorthi and Mr. Peter Stevenson shall hold office up to the date of this Annual General Meeting ('AGM') and are eligible to be appointed as Non-Executive, Independent Directors.

The Company has received Notices in writing from Member(s) under Section 160 the Act proposing the respective candidatures of Mr. Sridhar Gorthi and Mr. Peter Stevenson for the office of Independent Director of the Company.

Mr. Gorthi and Mr. Stevenson are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors of the Company. The Company has received declarations from both Directors to the effect that they meet the criteria of independence as prescribed under Section 149(6) of the Act, read with Rules framed thereunder.

Both Directors will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which they are /will be member(s)/Chairperson(s) and/or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board.

Mr. Gorthi and Mr. Stevenson are not related to any Director or Key Managerial Personnel ('KMP') of the Company in any way and in the opinion of the Board of Directors and are independent of management.

Details of each Director as required to be provided pursuant to Secretarial Standard – 2 (Secretarial Standards on General Meetings) are provided in Annexure B to this Notice.

Except Mr. Gorthi and Mr. Stevenson, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board is of the opinion that their knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends the Ordinary Resolutions set out at Item Nos. 7 and 8 of the Notice for the approval of the Members.

Item No. 9

Appointment of Ms. Nathalie Leitch as Non-Executive Director of the Company

The Board of Directors on recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 152, 161 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, appointed Ms. Nathalie Leitch (DIN: 09557042) as an Additional Director and also as a Director (Non – Executive, Non – Independent), liable to retire by rotation, with effect from May 24, 2022, subject to approval of Members.

The Company has received a notice in writing from a Member, under Section 160 of the Act proposing the candidature of Ms. Leitch for the office of Non-Executive Director of the Company.

Ms. Leitch has given her consent to act as the Director of the Company. Also, as per the confirmations received from her, she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Ms. Leitch will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which she would be member/chairperson and/or commission as may be determined by the Board of Directors and/or the Nomination and Remuneration Committee.

The Board is of the view that Ms. Leitch's vast knowledge and rich experience will be of immense benefit and value to the Company.

Ms. Leitch is not related to any Director or Key Managerial Personnel ('KMP') of the Company in any way and in the opinion of the Board of Directors and are independent of management.

Details of Ms. Leitch as required to be provided pursuant to Secretarial Standard – 2 (Secretarial Standards on General Meetings) is provided in Annexure B to this Notice.

Except Ms. Nathalie Leitch, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board is of the opinion that her knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends the Ordinary Resolution set out at Item No. 9 of the Notice for the approval of the Members.

Item No. 10

Issue of Non-Convertible Debentures on Private Placement Basis

In terms of Sections 42 and 71 of the Companies Act, 2013 ('the Act') read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case an offer of or invitation to subscribe to Non-Convertible Debentures ('NCDs') is made by the Company on a private placement basis, the Company is required to seek the prior approval of its members by means of a Special Resolution, on an annual basis for all the offers or invitations for such NCDs during the year.

For the purpose of availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured / unsecured NCDs on private placement basis (within the meaning of the Section 42 of the Act) in one or more series / tranches. Hence, the Board of Directors seeks your approval to offer or invite subscription to NCDs, within the overall borrowing limits under Section 180(1)(c) of the Act, as may be required by the Company, from time to time, for a year.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends Special Resolution set out at Item No. 10 of the Notice for approval of the Members.

Item No. 11

Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company

Pursuant to provisions of Sections 149(9) and 197(3) of the Companies Act, 2013 read with Schedule V, in the event of the profits of the Company, calculated in accordance with Sections 197/ 198 of the Companies Act, 2013 being inadequate for payment of commission to Non-Executive Directors ('NEDs') (including independent Directors (IDs)), the payment of commission to the NEDs (including IDs) would be subject to approval of the shareholders of the Company.

In view of the aforesaid provisions and in order to continue to avail of the benefits of professional expertise and business exposure of the eminent personalities on the Board of Directors of the Company ('the Board' which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers for this purpose), the approval of the Members is requested towards payment of Commission to the NEDs (including IDs) of the Company, in case of no profits/inadequate profits in accordance with the limits prescribed under Schedule V of the Act, at the end of each financial year, for a period of 3 years, commencing from the financial year ended on March 31, 2022.

This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board and shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Information as required under Section II of Part II of the Schedule V of the Act is provided as Annexure A to this Notice.

None of the Whole-Time Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. All the NEDs including IDs are deemed to be concerned or interested in this resolution to the extent of the commission that may be received by them.

The Board considers the commission proposed to be paid to NEDs/IDs as reasonable and commensurate with the experience, expertise, skills and time devoted by them for the business affairs of the Company and recommends the Special Resolution set out at Item No. 11 of the Notice for approval of the Members.

Item No. 12, 13, 14, 15 & 16

Adoption of the Piramal Pharma Limited Employee Stock Option and Share Appreciation Rights Plan 2022 and related matters

The Nomination & Remuneration Committee and Board of directors (“**Board**”) of the Company at their meetings held on 20th May, 2022 and 24th May, 2022 respectively approved the adoption of the ‘Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022’ (“**Plan 2022**”) for the benefit of the eligible employees of the Company, and its Subsidiary Company(ies), and Holding Company (as defined under the Companies Act, 2013 (“**Act**”) and Group companies (as permitted), which entitles them to the shares of the Company, subject to the approval of the members by a special resolution in terms of the applicable laws.

The Plan 2022 has been formulated by the Nomination and Remuneration Committee with an aim to encourage and motivate selected employees of the Company and its Group companies (as permitted) in strengthening and improving their performance, thereby contributing to the overall growth of the Company.

The Nomination and Remuneration Committee shall administer the Plan 2022 and the Company shall set up a trust, which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board (“**Trust**”) for the implementation of the Plan 2022 in accordance with the Act, and the rules made thereunder. Approval of the Members is being sought for the issue of employee stock options (“**ESOPs**”) and/or share appreciation rights (“**SARs**”) to the eligible employees as may be determined by the Nomination and Remuneration Committee.

The disclosures as required by the applicable law are as follows:

No.	Particular	Detail
(a)	A brief description of the scheme	The Company has formulated the Plan 2022 with an aim to encourage and motivate its and its holding company, subsidiaries (in or outside India) and other Group companies’ (as permitted) selected employees in strengthening and improving their performance, thereby contributing to the overall growth of the Company. The Plan 2022 will be administered by the Nomination and Remuneration Committee and implemented through the trust to be set up by the Company, which trust may be set up under the name “Piramal Pharma Limited Employees Welfare Trust” or such other name as may be determined by the Board (“ Trust ”).
(b)	The total number of options/ SARs, shares or benefits, as the case may be to be offered and granted.	(a) 59,295,675 ESOPs corresponding to 59,295,675 equity shares of the Company, being 5% of the paid-up share capital of the Company as on the date of the adoption of the Plan 2022; and

No.	Particular	Detail
		<p>(b) 29,647,838 SAR units, corresponding to 29,647,838 equity shares of the Company, being 2.5% of the paid-up share capital of the Company as on the date of the adoption of the Plan 2022.</p>
(c)	<p>Identification of classes of employees entitled to participate and be beneficiaries in the scheme.</p>	<p>(A) Until listing of the shares of the Company on a recognized stock exchanges:</p> <p>(a) A permanent employee of the Company working in India or outside India; or</p> <p>(b) A director of the Company, whether a whole-time Director or not, but excluding an independent director (unless permitted otherwise under law); or</p> <p>(c) An employee as defined in sub-clauses (a) or (b) above, of a subsidiary company, in India or outside India, or of a holding company of the Company, but does not include—</p> <p>(1) an employee who is a promoter or belongs to the promoter group;</p> <p>(2) a director who either by himself/herself or through his relatives or through any body corporate, directly or indirectly holds more than 10% (ten percent) of the outstanding equity shares of the Company.</p> <p>(B) After listing of the shares of the Company on a recognized stock exchange:</p> <p>(a) an employee as designated by the Company, who is exclusively working in India or outside India;</p> <p>(b) a director of the Company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but at all times excluding an independent director of the Company; or</p>

No.	Particular	Detail
		<p>(c) an employee as defined in clauses (a) or (b) of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company;</p> <p>but shall not include:</p> <p>(1) an employee who is a promoter or a person belonging to the promoter group; or</p> <p>(2) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the Company.</p> <p>The eligibility to participate and be beneficiaries in the Plan 2022 is subject to such criteria as may be determined by the Nomination and Remuneration Committee at its discretion, including, but not limited to, the performance metrics on the achievement of which the granted ESOPs/ SARs would vest and which may be specified in the respective letters of grant to be issued to the grantee.</p>
(d)	The appraisal process for determining the eligibility of employees for the scheme	The appraisal process for determining the eligibility criteria of the employees will be specified by the Nomination and Remuneration Committee, at its own discretion.
(e)	Requirements of vesting and period of vesting	<p>The ESOPs / SARs shall vest not earlier than 12 (twelve) months from the date of grant for ESOPs/ SARs, as the case may be and not later than 7 (seven) years from the date of grant.</p> <p>Vesting of ESOPs/ SARs shall be subject to, amongst other things, (A) the conditions that a minimum of 12 months has completed from grant date, and (B) compliance with terms and conditions as may be specified by the Nomination and Remuneration Committee including performance metrics on the achievement of which the granted ESOPs/ SARs would vest.</p>

No.	Particular	Detail						
(f)	The maximum period within which the ESOPs/ SARs shall be vested.	7 (seven) years from the date of Grant in case of ESOPs/ SARs as the case maybe.						
(g)	Exercise price/ SAR price or the formula for arriving at the same	The ESOP exercise price and the SAR price (if any) shall be determined by the Nomination and Remuneration Committee and set out in the grant letter, which shall be in accordance with the applicable accounting standards.						
(h)	Exercise period and process of exercise	<p>The ESOPs shall be capable of being exercised within a period of 5 (five) years from the date of vesting of the respective ESOPs (or such other period, not being less than one year from the date of the Grant (except in case of death or permanent incapacity of the Option Grantee post Listing)), as may be set out in the Plan 2022 and / or determined by the Nomination and Remuneration Committee from time to time) and set out in the grant letter.</p> <p>In case of SARs, there shall be no exercise period and the SARs would be deemed to be exercised automatically on vesting.</p> <p>In case of cessation of employment due to the following reasons, the ESOPs / SARs will vest and will have to be exercised as follows:</p> <table><tr><th>Reason for separation of employment</th><th>Exercise Period</th></tr><tr><td>Death</td><td>All ESOPs/SARs granted to him/ her till such date shall vest with the legal heirs or nominees of deceased Employee on that day and all vested ESOPs shall be Exercised within a period of 1 (one) year from the date of death or such other period as may be determined by the Nomination and Remuneration Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.</td></tr><tr><td>Permanent Incapacity</td><td>All the ESOPs/SARs granted to him/ her as on</td></tr></table>	Reason for separation of employment	Exercise Period	Death	All ESOPs/SARs granted to him/ her till such date shall vest with the legal heirs or nominees of deceased Employee on that day and all vested ESOPs shall be Exercised within a period of 1 (one) year from the date of death or such other period as may be determined by the Nomination and Remuneration Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.	Permanent Incapacity	All the ESOPs/SARs granted to him/ her as on
Reason for separation of employment	Exercise Period							
Death	All ESOPs/SARs granted to him/ her till such date shall vest with the legal heirs or nominees of deceased Employee on that day and all vested ESOPs shall be Exercised within a period of 1 (one) year from the date of death or such other period as may be determined by the Nomination and Remuneration Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.							
Permanent Incapacity	All the ESOPs/SARs granted to him/ her as on							

No.	Particular	Detail	
			<p>the date of Permanent Incapacity, shall vest in him/ her on that day and all vested ESOPs shall be Exercised within a period of 1 (one) year from the date of Permanent Incapacity or such other period as may be determined by the Nomination and Remuneration Committee. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.</p>
		<p>Superannuation / retirement</p>	<p>All the unvested ESOPs/ SARs on the date of superannuation or retirement shall (i) lapse; or (ii) their vesting shall be accelerated; or (iii) vest in accordance with original vesting schedule, as determined by the Nomination and Remuneration Committee. The vested ESOPs (i.e. vested and eligible for Exercise but not Exercised) as on the date of superannuation or retirement shall be Exercised on the last working date of the Grantee or such other date as determined by the Nomination and Remuneration Committee, failing which, the same will lapse. The ESOPs that vest post the date of retirement or superannuation shall be Exercised on the date on which such ESOPs vest or such other date as determined by the Nomination and Remuneration Committee, failing which, the same will lapse. In case of SARs that vest either during employment or post cessation of employment due to retirement or</p>

No.	Particular	Detail	
			superannuation shall be deemed to have been Exercised automatically upon Vesting.
		Termination due to Cause, misconduct or abandonment	Not applicable
		Resignation or termination by the Employer Company other than for Cause (which shall be determined as per the employment agreement between the Employee and the Employer Company or any other document issued by the Employer Company to the Employee) or misconduct	In the event of resignation or termination of employment with the Employer Company for any reason other than for Cause (which shall be determined as per the employment agreement between the Employee and the Employer Company or any other document issued by the Employer Company to the Employee) or misconduct, all ESOPs/ SARs granted and yet not vested on that day shall expire. However, all vested ESOPs (i.e. vested and eligible for Exercise but not Exercised) shall be Exercised on the last working date of the Grantee or such other date as may be determined by the Nomination and Remuneration Committee, failing which, the same shall lapse. All vested SARs shall be deemed to have been Exercised automatically upon Vesting.
		<p>An ESOP holder can exercise vested ESOPs within the exercise period by applying to the Company or Trust during the exercise period, in such manner as may be determined by the Nomination and Remuneration Committee.</p> <p>The grantees can exercise the ESOPs, as the case maybe, by:</p> <p>(a) Making an application to the Nomination and Remuneration Committee, which shall intimate the Trustees;</p> <p>(b) Making appropriate payment of the exercise price to the Trustee; and</p> <p>(c) Taking delivery of the Shares to</p>	

No.	Particular	Detail
		<p>which the Employee is entitled in terms of the Plan.</p> <p>In case of SARs, the Exercise shall be deemed to be automatic as on the date of Vesting of SAR on payment of SAR Price (if any). All the vested SARs shall stand Exercised as at their respective date of Vesting and the related Appreciation shall be paid to the Grantee within the timelines determined by the Nomination and Remuneration Committee and communicated to the Grantee. The payment of SAR Price shall be undertaken in the manner as may be determined by the Nomination and Remuneration Committee, including by way of deduction from the Appreciation payable on automatic Exercise of vested SARs. Provided however that, in case of SARs which are deemed to be automatically Exercised as on the date of their Vesting of SAR, the Grantee may not be required to take any specific steps for Exercise if determined by the Nomination and Remuneration Committee.</p>
(i)	Lock-in period, if any	None
(j)	The maximum number of ESOPs/ SARs to be issued per employee and in aggregate.	<p>(a) The maximum number of ESOPs / SARs that can be granted per employee shall be as determined by the Nomination and Remuneration Committee subject to overall limits as approved by the shareholders.</p> <p>(b) The total / aggregate number of ESOPs/SARs to be issued:</p> <p>(i) 59,295,675 ESOPs corresponding to 59,295,675 equity shares of the Company; and</p> <p>(ii) 29,647,838 SAR units corresponding to 29,647,838 equity shares of the Company.</p>
(k)	Maximum quantum of benefits to be provided per employee under the Scheme	<p>Unless otherwise determined by the Nomination and Remuneration Committee, the maximum benefits underlying the equity shares acquired by employees pursuant to the exercise of the ESOPs will be the difference in the exercise price and the market price of the equity shares.</p> <p>Unless otherwise determined by the</p>

No.	Particular	Detail
		Nomination and Remuneration Committee, the maximum benefits underlying the appreciation received by the employees pursuant to the exercise of the SARs will be the difference in the SAR Price (if any) and the market price of the equity shares.
(l)	Whether the Scheme is to be implemented and administered directly by the Company or through a Trust	The Plan will be administered through the Trust under the supervision of Board or the Nomination and Remuneration Committee.
(m)	Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both	The Plan shall be implemented through direct allotment from the Company or secondary acquisition by the trust.
(n)	The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms, etc.	<p>As per the limits prescribed under resolution No. 5, i.e. the amount of loan shall not exceed 5% (five percent) of the aggregate of the paid up share capital and free reserves of the Company for the purpose of subscription and/ or purchase of equity shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under the Plan 2022 and permitted under Applicable Laws prevailing from time to time. The Trust shall repay the loan as and when possible and the term of the loan would extend until it is repaid.</p> <p>The loan shall be utilized for the purposes of subscription and / or purchase of equity shares of the Company by the Trust / Trustees.</p> <p>Any amount retained by the Trust over and above as required for the implementation of the Plan 2022 shall be used to repay the loan availed by it and / or for the benefit of the beneficiaries under the Plan 2022.</p>
(o)	Maximum percentage of secondary acquisition that can be made by the Trust for the purposes of the Scheme	5% of the paid-up share capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition, subject to such other limit as may be prescribed under applicable laws.
(p)	Accounting and disclosure policies	The Company shall comply with the applicable accounting policies prescribed under the SEBI SBEB Regulations.

No.	Particular	Detail
(q)	The method which the Company shall use to value its ESOPs or SARs.	<p>The Company shall use change on intrinsic / BS method for valuation of the ESOPs/ SARs or any other method required by Indian accounting standard. The Company may choose to adopt a different methodology, as may be required, as per the applicable Indian accounting standards.</p> <p>In the event the Company opts to use intrinsic method, then the following statement would be applicable:</p> <p>'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.</p>
(r)	The conditions under which ESOPs vested in employees may lapse e.g. in case of termination of employment for misconduct	<p>Vested ESOPs will lapse if not exercised within the exercise period as set out in the Plan 2022 and / or the grant letter issued to the eligible employee on the grant of ESOPs.</p> <p>Please refer to disclosure under item (h) above on the treatment of ESOPs / SARs and exercise period that would be applicable in case of cessation of employment.</p> <p>In an event of termination of employment due to Cause (which shall be determined as per the employment agreement between the Employee and the Employer Company or any other document issued by the Employer Company to the Employee), misconduct, or abandonment, all ESOPs vested but not Exercised on the day of such termination together with all ESOPs/ SARs granted and not vested, shall expire. Additionally, any gross benefit arising from ESOPs / SARs vested and Exercised in the past years from the date of termination, may be clawed back and recovered.</p>
(s)	The specified time period within which the employee shall exercise the vested ESOPs/	For Vested ESOPs, as on the last working date.

No.	Particular	Detail
	SARs in the event of a proposed termination of employment or resignation of employee	For Vested SARs, as on the date of vesting.
(t)	A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	The Company shall follow and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India from time to time and/ or accounting policies as per the Act and/or Regulation 15 of the SBEB Regulations as applicable.
(u)	Terms & conditions for buyback, if any, of specified securities covered under these regulations.	N.A.
(v)	The class of employees for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares;	The same as 'Eligible Employee' as described in item (b) above.
(w)	The particulars of the trustee or employees in whose favour such shares are to be registered;	<ul style="list-style-type: none"> - Paresh Shreesh Parasnis - Rajesh Ratanlal Laddha
(x)	The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any;	<p>Name: Paresh Shreesh Parasnis Address: 14, Chaitra Heritage, Plot no 550, 11th Road, Chembur East, Mumbai 400071 Occupation: Professional / Independent Director Nationality: Indian Relationship with promoters, directors, KMPs: None</p> <p>Name: Rajesh Ratanlal Laddha Address: 3601, Tower-5, Celesta, Planet Godrej, Keshavrao Khadye Marg, Jacob Circle, Saat Rasta, Mahalaxmi, Mumbai - 400011 Occupation: Service Nationality: Indian Relationship with promoters, directors, KMPs: None</p>
(y)	Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof;	NIL
(z)	The detailed particulars of benefits which will accrue to the employees from the implementation of the scheme;	The benefit is provided as ESOPs and/or SARs as described above.
(aa)	The details about who would exercise and how the voting rights in respect of the shares to	The Trust / trustees will not vote on the shares held by the Trust.

No.	Particular	Detail
	be purchased or subscribed under the scheme would be exercised;	

The Nomination and Remuneration Committee shall be authorized to grant the employee stock options and/or have share appreciation rights under the Plan 2022.

Pursuant to Section 102 of the Act, the Board of Directors of the Company do hereby confirm that none of its Directors or Key Managerial Personnel (as defined under the Act) and their immediate relatives is concerned or interested, financially or otherwise, except to the extent that the stock options and / or share appreciation rights may be granted to them pursuant to the Plan 2022.

The Board thereby recommends passing of the resolutions as set out under Item Nos. 12, 13, 14, 15 and 16 of the notice for the Meeting for approval of the members as special resolution.

Item No. 17

Ratification of remuneration payable to the Cost Auditors

The Board of Directors on the recommendations of the Audit Committee, had approved the appointment of M/s. G. R. Kulkarni & Associates, Cost Accountants, Mumbai (Registration No. 00168), as Cost Auditors for conducting audit of the relevant cost records of the Company for the financial year ending March 31, 2023, at a remuneration of ₹ 8 Lakhs plus applicable taxes and reimbursement of actual travel and out of pocket expenses.

In accordance with Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors is required to be ratified by the Members of the Company. Hence, ratification from the Members is sought for the same.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends an Ordinary Resolution set out at Item No. 17 of the Notice for approval of the Members.

Registered Office:

Gr Flr., Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
Kurla (West),
Mumbai – 400 070.
Dated: 27th July, 2022

By Order of the Board

Vivek Valsaraj
Chief Financial Officer and Director

Information under Section II of Part II of Schedule V of the Companies Act, 2013**1. General Information**

(a) Nature of Industry: The Company is engaged in Pharmaceutical Business

(b) Date or expected date of commencement of commercial production: The Company had acquired the pharmaceutical business from Piramal Enterprises Limited on October 6, 2020 and accordingly, the date of commencement of commercial production by the Company may be regarded as October 6, 2020.

(c) Financial performance based on given indicators:

(₹ in crores)	
Particulars	Amount
Gross Turnover & Other Income	3,318.54
Net Profit as per Statement of Profit or Loss (After Tax)	343.05
Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013	403.76

(d) Foreign investments or collaborators, if any: 20.1249% of the equity share capital of the Company is held by CA Alchemy Investments, a company registered in Mauritius.

2. Information about the Appointees:

Particulars	Mr. Vivek Valsaraj
Background Details	as stated in Annexure B of this Notice.
Past remuneration	Not applicable, since Mr. Valsaraj is being appointed as a Whole-Time Director for the first time in the Company.
Job profile and suitability	as stated in Annexure B of this Notice.
Recognition or award:	NIL
Remuneration proposed	Details of remuneration proposed are given in the resolution No. 5 in the accompanying Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Valsaraj, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in other companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mr. Vivek Valsaraj is appointed as CFO of the Company.

3. Other Information

(a) Reasons for loss or inadequate profits: The Company is making profit and does not envisage any loss or inadequate profits in any financial year during the tenure of appointment of the Whole-Time Directors. It is proposed to obtain approval of the Members by way of Special Resolutions as a matter of abundant precaution in case profits are inadequate, to enable the Company to pay the managerial remuneration as stated in the resolutions.

(b) Steps taken or proposed to be taken for improvement: Since the Company does not envisage any loss or inadequate profits, no specific steps are required to be taken for improvement of profits, other than in the normal course of business.

(c) Expected increase in productivity and profits in measurable terms: The Company would pursue and implement its strategies to strengthen its financial performance.

Disclosures

The disclosures as required on elements of remuneration package are included in the Board's Report of the Company for the period ending March 31, 2022.

ANNEXURE B

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting
(In pursuance of Regulation 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)

Name of the Director	Mr. Peter DeYoung	Mr. Vivek Valsaraj	Mr. S. Ramadorai	Mr. Sridhar Gorthi	Mr. Peter Stevenson	Ms. Nathalie Leitch
Date of Birth (Age)	April 20, 1978 44 Years	August 12, 1973 48 Years	October 6, 1944 77 Years	July 31, 1972 49 years	February 3, 1953 69 Years	December 29, 1967 54 Years
Date of first Appointment	March 4, 2020	March 4, 2020*	February 9, 2021	March 30, 2022	March 30, 2022	May 24, 2022
Brief resume/ expertise in specific functional areas	Mr. Peter DeYoung is the CEO of Piramal Global Pharma, Piramal Pharma Limited, and a member of the Piramal Pharma Limited Board. In his current role, Mr. DeYoung is responsible for steering strategy and driving profitable growth of the businesses. He has also previously handled leadership mandates as the CEO of Piramal Critical	With over twenty-five years of overall experience in the field of finance, Mr. Vivek Valsaraj has been associated with the Piramal Group for over 21 years. He currently oversees the Finance and Shared Services Functions in the group. Mr. Valsaraj is also an Executive Director on the board of Piramal Pharma Ltd & is serving on the board	Mr. S. Ramadorai is currently the Chairman of the Advisory Board at Tata STRIVE, which is the Tata Group's CSR skill development initiative. He is also the Chairman of Tata Technologies Limited and additionally serves as an Independent Director on the Boards of Piramal Enterprises Limited and DSP Investment Managers. In March 2016, he retired as the Chairman of the Bombay Stock	Mr. Sridhar Gorthi is the founding partner and member of the Management Committee at Trilegal. He is an authority in corporate law, M&A, and private equity, spanning across sectors including manufacturing, pharmaceuticals, insurance, banking and financial services, technology, telecom and media.	Mr. Peter Stevenson is a leader in the pharmaceutical industry with extensive manufacturing and commercial experience. He was a member of Pfizer's Global Manufacturing Leadership Team with responsibilities for global procurement, global external supply and a portfolio of Pfizer internal manufacturing sites in North America, Europe and Asia.	Ms. Nathalie Leitch has over 20 years of experience in the pharmaceuticals industry across multiple segments. She has led commercial management of a branded product line and oversaw the largest pipeline of generic products in the industry. A subject-matter expert in the US generics industry,

<p>Care and President of Piramal Life Sciences.</p> <p>Prior to Piramal Pharma, Mr. DeYoung worked in various investing and consulting roles in healthcare across the USA, Europe, and India. After graduation, he joined McKinsey & Company in New York, working on projects for pharmaceutical and medical device companies. He was part of the Global Health Initiative at the World Economic Forum (WEF) in Geneva, Switzerland. Post his stint with WEF, Mr. DeYoung returned to McKinsey, first in New York and later in Mumbai, where he focused on the pharmaceutical and healthcare</p>	<p>of the joint venture company Allergan India Private Limited and several overseas subsidiaries.</p> <p>Within the group, he has been associated with various roles in Corporate and the erstwhile Domestic Formulations business. He also serves as the CFO of the Pharma business. His expertise spans across Corporate Finance, Business Strategy, Mergers and Acquisitions, Corporate Structuring, Corporate Governance & Risks, and Taxation. Over the last several years, he has been closely associated with the Pharma business and has been a part of several</p>	<p>Exchange (BSE Limited) after having served on their board for a period of 6 years.</p> <p>Mr. Ramadorai is the Chairman on the Council of Management at the National Institute of Advanced Studies (NIAS). He is the President of the Society for Rehabilitation of Crippled Children (SRCC) and was also appointed as the Chairperson of the Kalakshetra Foundation's Governing Board by the Union Ministry of Culture in 2020.</p> <p>Mr. S. Ramadorai was in public service from February 2011 to October 2016. During his tenure as the Chairman of the National Skill Development Agency</p>	<p>Among his notable achievements, Mr. Gorthi played a role in Heineken acquiring a controlling stake in United Breweries, supported Goldman Sachs in its investment in Aragen Life Sciences, and advised Intel and Qualcomm on their investments in Jio Platforms.</p> <p>His domain knowledge has earned him the recognition of a 'Leading Individual – Corporate/M&A' by the Asia-Pacific Legal 500 and a 'Distinguished practitioner' for M&A and PE by the Asia law Profiles. His name also lists as a 'Highly Regarded' lawyer by the IFLR1000 Asia</p>	<p>Later, he served as General Manager of Pfizer's contract manufacturing business and as Value Stream Leader for the Injectables and Hospital Products Value Stream. Mr. Stevenson recently retired from Pfizer and currently serves as the Board Vice-Chair for Uniting to Combat Neglected Tropical Diseases and Chair of the Governance Committee.</p> <p>Earlier in his career, Mr. Stevenson held positions at Rhone Poulenc and Celanese including a 3-year expatriate assignment in France.</p>	<p>Ms. Leitch has domain experience in creative product strategies and 505(b)(2) formulations; patent challenges, Hatch-Waxman and settlement options; business development and external-partnering activities. Additionally, she has extensive knowledge of sales, marketing, R&D and manufacturing functions.</p> <p>Ms. Leitch has steered organizational success in the generic retail and institutional markets. She held senior leadership positions at Fresenius Kabi,</p>
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	<p>practices. He played a role in significant transactions across a broad spectrum of industry sectors at McKinsey. After McKinsey, he joined the Blackstone Group's Private Equity Division in Mumbai.</p>	<p>key acquisitions and capital raising. He has also played a key role in streamlining and finessing systems, processes, and internal controls.</p> <p>Prior to joining Piramal, he was associated with companies like Wockhardt Ltd and Bharat Bijlee Ltd.</p>	<p>(NSDA) and the National Skill Development Corporation (NSDC) his approach was to standardize the skilling effort, ensure quality and commonality of outcomes by leveraging technology and create an inclusive environment to co-operate, collaborate & co-exist.</p> <p>He took over as the CEO of Tata Consultancy Services (TCS) in 1996, when the company's revenues were at \$ 155 million. He then steered the company into becoming a \$ 6 billion global IT services company by 2009.</p> <p>Mr. Ramadorai was awarded the Padma Bhushan (India's third highest civilian honour) in January 2006. In</p>	<p>Pacific 2021, an independent firm that evaluates law firms and practitioners based on their work. He is one of India's top 100 lawyers and part of the 'A-list' of the India Business Law Journal 2020, and among Chambers and Partners' Asia Pacific's leading lawyers in India for Banking and Finance (2014-2021).</p>		<p>Teva Pharmaceuticals, Allergan plc, and Actavis (formerly Watson). She has been instrumental in driving company acquisitions and overall consolidation.</p>
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Qualifications	<ul style="list-style-type: none"> - Bachelor's of Science Degree in Engineering from Princeton University, New Jersey, USA (summa cum laude); - Master's Degree in Business Administration from Stanford 	<ul style="list-style-type: none"> - Bachelor's degree in Commerce - Cost and Management Accountant 	<ul style="list-style-type: none"> - B.Sc.(Physics); - B.E. - Electronics & Telecommunication - Masters Degree in Computer Science; - Senior Executive Development Programme from Sloan School of Management. 	<ul style="list-style-type: none"> - Bachelor of Law from National Law School, Bengaluru - Member of the Bar Council of Maharashtra and Goa 	- Bachelor of Arts	<ul style="list-style-type: none"> - Bachelor of Science in Human Biology from the University of Toronto, Canada; - Master of Business Administration in finance from

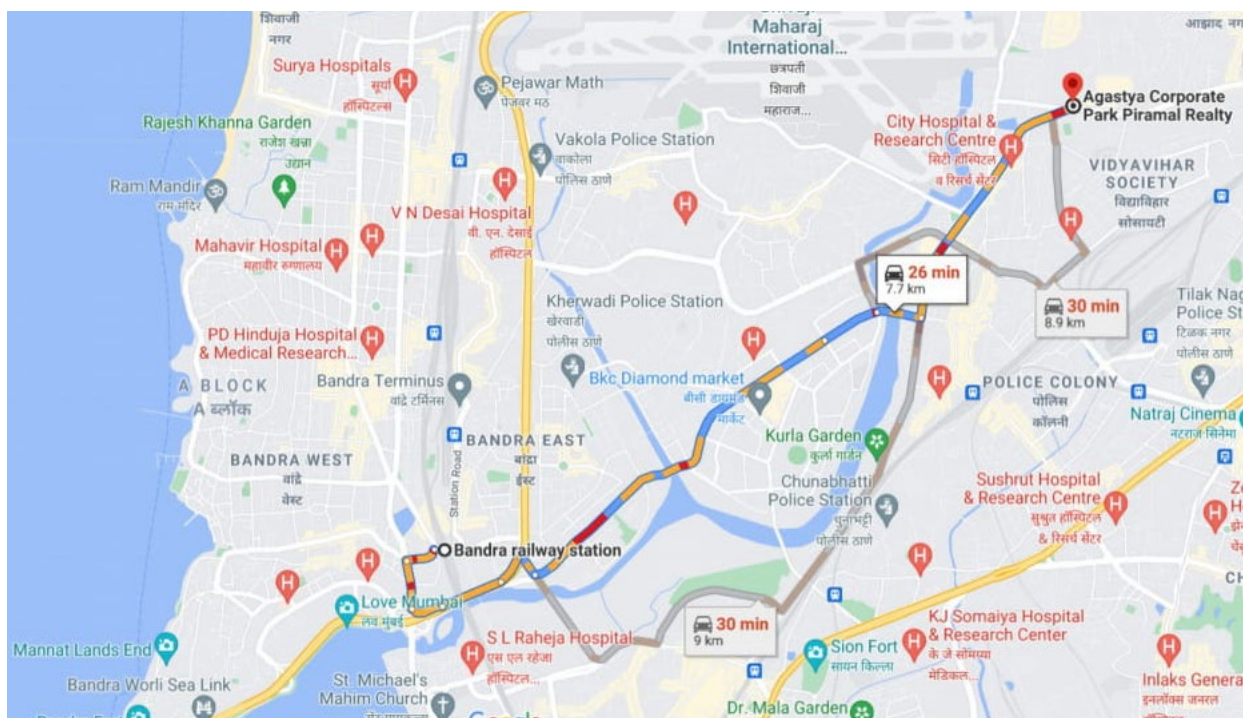
	University (Arjay Miller Scholar), California, USA.					Queen's University, Canada.
Directorships held in other companies (excluding Section 8 and foreign companies) as on 31st March, 2022*	NIL	1. Convergence Chemicals Private Limited 2. Allergan India Private Limited	1. Tata Technologies Limited 2. Piramal Enterprises Limited 3. DSP Investment Managers Private Limited 4. British Asian India Foundation 5. Breach Candy Hospital Trust 6. Institute for Policy Research Studies 7. Centre for Asian Philanthropy India	1. Glenmark Pharmaceuticals Limited 2. Hathaway Cable and Datacom Limited 3. Glenmark Life Sciences Limited	NIL	NIL
Committee position held in other companies as on 31st March, 2022(Statutory Committees)#	NIL	NIL	1. Tata Technologies Limited (Member): a. Nomination & Remuneration Committee 2. Piramal Enterprises Limited (Member): a) Nomination & remuneration Committee 3. DSP Investment Managers Pvt. Ltd. (Chairman):	NIL	NIL	NIL

			a) Nomination & remuneration Committee			
No. of shares held	11 shares (as a nominee of Piramal Enterprises Limited)	11 shares (as a nominee of Piramal Enterprises Limited)	NIL	NIL	NIL	NIL
Number of Meetings of the Board attended during the year	Seven	Seven	Ten	Two	Two	One
Remuneration sought to be paid	As per agreement	As per the resolution No. 5 of this Notice	N.A.	N.A.	N.A.	N.A.

*Other Directorships: excluding Section 8 and foreign Bodies Corporates

#Membership of statutory committees i.e. Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Route Map to the AGM Venue



Directions:

- Head south on Gurunanak Marg/Turner Road toward Maharashtra Road
- Use any lane to turn left onto Swami Vivekananda Road
- Turn left to merge with Western Express Highway
- Take the exit toward Sion-Bandra Link Road
- Turn left onto Bandra Kurla Complex Road
- Turn left onto Lal Bahadur Shastri Rd