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Letter of Offer

Letter of Offer
July 27, 2023
For Eligible Equity Shareholders only



Piramal Pharma Limited

Our Company was incorporated on March 4, 2020 in Mumbai, Maharashtra, as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 4, 2020, issued by the Registrar of Companies, Maharashtra at Mumbai (the “RoC”).



Registered and Corporate Office: Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla, Mumbai 400 070, Maharashtra, India
Tel: +91 22 3802 3000/4000

Contact Person: Tanya Sanish, Company Secretary and Compliance Officer

E-mail: shareholders.ppl@piramal.com; **Website:** www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/

Corporate Identity Number: U24297MH2020PLC338592*

*Our Company vide its letter dated November 3, 2022 has requested the RoC to update the corporate identity number to L24297MH2020PLC338592.

OUR PROMOTER: AJAY G. PIRAMAL		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PIRAMAL PHARMA LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY		
<p>ISSUE OF UP TO 12,96,29,630[#] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹81 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹71 PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹1,050 CRORE ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 RIGHTS EQUITY SHARES FOR EVERY 46 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON WEDNESDAY, AUGUST 2, 2023 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 366.</p> <p><small>[#]Assuming full subscription. Subject to finalisation of the Basis of Allotment.</small></p>		
WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)		
Neither our Company nor our Promoter or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s).		
GENERAL RISKS		
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” beginning on page 18.		
COMPANY’S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The existing Equity Shares of our Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”, and collectively, the “Stock Exchanges”). Our Company has received “in-principle” approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through their letters dated April 3, 2023 and March 31, 2023, respectively. Our Company will also make applications to BSE and NSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is BSE.		
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
		
<p>ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: ppl.rights@icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Ashik Joisar/ Gaurav Mittal SEBI Registration No.: INM000011179</p>		<p>Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 810 811 4949 E-mail: ppl.rights@linkintime.co.in Investor Grievance ID: ppl.rights@linkintime.co.in Contact Person: Sumeet Deshpande Website: www.linkintime.co.in SEBI Registration No.: INR000004058</p>
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES ON**
TUESDAY, AUGUST 8, 2023	THURSDAY, AUGUST 10, 2023	WEDNESDAY, AUGUST 16, 2023

* Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.

** Our Board or the Committee of Directors (Rights Issue) will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, requires or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline, clarification or policy as amended, supplemented, re-enacted, or modified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in “Summary of Letter of Offer”, “Statement of Possible Special Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” beginning on pages 15, 80, 170, 348 and 366 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
“Company”, “Our Company”, “the Company”, “the Issuer” or “PPL”	Piramal Pharma Limited, a public limited company incorporated under the Companies Act, 2013 and having its Registered and Corporate Office at Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla, Mumbai 400 070, Maharashtra, India
“We”, “Our”, “Us”, or “our Group”	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company along with our Subsidiaries, on a consolidated basis

Company Related Terms

Term	Description
“Allergan India”	Allergan India Private Limited
“Articles of Association” or “Articles”	Articles of Association of our Company, as amended from time to time
“Associates”	Allergan India and Yapan Bio
“Audit Committee”	Audit committee of our Board, as described in “Our Management – Committees of our Board” on page 159
“Auditors” or “Statutory Auditors”	The statutory auditors of our Company, being, Deloitte Haskins & Sells LLP
“Board of Directors”, or “Board” or “our Board”	Board of directors of our Company or any duly constituted committee thereof
“Chairperson”	Chairperson of our Company, being Nandini Ajay Piramal
“Committee of Directors (Rights Issue)”	Committee of Directors (Rights Issue) of our Board
“Corporate Social Responsibility Committee”	Corporate social responsibility committee of our Board, as described in “Our Management – Committees of our Board” on page 159
“Directors”	Directors on our Board, as may be appointed from time to time
“Equity Shares”	Equity shares of face value of ₹10 each of our Company
“ESOP Plan”	Piramal Pharma Limited Employee Stock Option and Incentive Plan - 2022
“Chief Financial Officer”	Chief financial officer of our Company, being Vivek Valsaraj
“Financial Period ended March 31, 2021” or “Financial Period 2021”	12 months and 28 days period ended March 31 of the year. Includes period from March 4, 2020 till March 31, 2021, as our Company was incorporated on March 4, 2020
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “Our Management” beginning on page 155
“Material Subsidiaries”	Piramal Critical Care, Inc., Piramal Healthcare UK Limited, Piramal Healthcare, Inc. and Piramal Pharma Solutions, Inc.
“Memorandum of Association” or “Memorandum”	Memorandum of Association of our Company, as amended from time to time
“Nomination and Remuneration Committee”	Nomination and remuneration committee of our Board, as described in “Our Management – Committees of our Board” on page 159

Term	Description
“Non-Executive Independent Director(s)”	Independent Director(s) on our Board as of the date of this Letter of Offer appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of the Independent Directors, see “ <i>Our Management</i> ” beginning on page 155
“Promoter”	The promoter of our Company, being Ajay G. Piramal
“Promoter Group”	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
“Registered and Corporate Office” or “Registered Office”	Registered and corporate office of our Company situated at Ground Floor, Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla, Mumbai 400 070, Maharashtra, India
“Restated Consolidated Financial Information”	Restated consolidated financial information of our Group which includes our Group’s share of profit in its associates and joint venture, which comprises of the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the years ended March 31, 2023 and March 31, 2022, and for the period from March 4, 2020 to March 31, 2021, and the summary of significant accounting policies and other explanatory information, prepared in terms of the requirements of (i) Section 26 of Part I of Chapter III of the Companies Act; (ii) the SEBI ICDR Regulations; and (iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended
“Scheme”	Composite scheme of arrangement between our Company, PEL, CCPL, HPPL and PFPL and their respective shareholders and creditors, for (i) transfer by way of demerger of all businesses, undertakings, activities, operations and properties of PEL, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the pharmaceutical business of PEL; (ii) amalgamation of CCPL and HPPL, being wholly-owned subsidiaries of our Company into our Company; and (iii) amalgamation of PFPL, being a wholly-owned subsidiary of PEL, into PEL, pursuant to order of the National Company Law Tribunal, Mumbai, dated August 12, 2022
“Senior Management Personnel”	Senior management personnel of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management</i> ” beginning on page 155
“Sustainability and Risk Management Committee”	Sustainability and risk management committee of our Board, as described in “ <i>Our Management – Committees of our Board</i> ” on page 159
“Stakeholders’ Relationship Committee”	Stakeholders’ relationship committee of our Board, as described in “ <i>Our Management – Committees of our Board</i> ” on page 159
“Subsidiaries”	Subsidiaries of our Company, namely, Ash Stevens LLC, PEL Healthcare LLC, PEL Pharma Inc., Piramal Critical Care B.V., Piramal Critical Care Deutschland GmbH, Piramal Critical Care Inc., Piramal Critical Care Italia, S.P.A., Piramal Critical Care Single Member P.C., Piramal Pharma Japan GK*, Piramal Critical Care Limited, Piramal Critical Care Pty. Ltd, Piramal Critical Care South Africa (Pty) Ltd, Piramal Dutch Holdings N.V., Piramal Healthcare (Canada) Limited, Piramal Healthcare, Inc., Piramal Healthcare Pension Trustees Limited, Piramal Healthcare UK Limited, Piramal Pharma II Private Limited, Piramal Pharma Inc., Piramal Pharma Solutions (Dutch) B.V. and Piramal Pharma Solutions, Inc. * The board of directors of Piramal Dutch Holdings N.V., sole shareholder of Piramal Pharma Japan GK, has in its meeting dated January 17, 2023, approved the voluntary winding up of Piramal Pharma Japan GK.
“Shareholders” or “Equity Shareholders”	Holders of the Equity Shares from time to time
“Yapan Bio”	Yapan Bio Private Limited

Issue Related Terms

Term	Description
“Abridged Letter of Offer”	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
“Additional Rights Equity Shares”	The Rights Equity Shares applied or allotted under the Issue in addition to the Rights Entitlement
“Allotment” or “Allot” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue
“Allotment Accounts”	The “no-lien” and “non-interest” accounts opened with the Banker to the Issue, established by the Company to receive the transfer of Application Money in case of successful Applicants from the ASBA Accounts on the Transfer Date, in accordance with Section 40(3) of the Companies Act
“Allotment Account Bank”	Bank which is a clearing member and registered with SEBI as banker to an issue and with whom the Allotment Accounts have been opened, in this case being, Kotak Mahindra Bank Limited

Term	Description
“Allotment Advice”	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
“Allotment Date”	Date on which the Allotment is made pursuant to the Issue
“Allottee(s)”	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA investor
“Application”	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
“Application Form”	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
“Application Money”	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
“Application Supported by Blocked Amount” or “ASBA”	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
“ASBA Account”	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
“ASBA Circulars”	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular, to the extent it pertains to the rights issue process and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
“Banker to the Issue”	Collectively, the Allotment Account Bank and the Refund Bank in this case being Kotak Mahindra Bank Limited
“Banker to the Issue Agreement”	Agreement dated July 27, 2023 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for <i>inter alia</i> collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
“Basis of Allotment”	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange in the Issue, as described in “ <i>Terms of the Issue</i> ” beginning on page 366
“Controlling Branches” or “Controlling Branches of the SCSBs”	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
“Demographic Details”	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
“Designated Branch(es)”	Such branches of the SCSBs which shall collect the Applications, used by the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
“Designated Stock Exchange”	BSE
“Draft Letter of Offer”	The draft letter of offer dated March 28, 2023 filed with SEBI in accordance with the SEBI ICDR Regulations
“Eligible Equity Shareholder(s)”	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders, including any shareholder located in the United States. For further details, see “ <i>Notice to Investors</i> ” beginning on page 10
“Fraudulent Borrower(s)”	Fraudulent Borrower as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
“Issue”	Issue of up to 12,96,29,630* Rights Equity Shares for cash at a price of ₹81 per Rights Equity Share aggregating up to ₹1,050 crore on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 5 Rights Equity Share for every 46 Equity Shares held by the Eligible Equity Shareholders on the Record Date *Assuming full subscription. Subject to finalisation of the Basis of Allotment.
“Issue Agreement”	Issue agreement dated March 28, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
“Issue Closing Date”	Wednesday, August 16, 2023

Term	Description
“Issue Materials”	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
“Issue Opening Date”	Tuesday, August 8, 2023
“Issue Period”	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
“Issue Price”	₹81 per Equity Share
“Issue Proceeds”	The gross proceeds raised through the Issue
“Issue Size”	The issue of up to 12,96,29,630* Rights Equity Shares aggregating up to ₹1,050 crore <i>*Assuming full subscription. Subject to finalisation of the Basis of Allotment.</i>
“Lead Manager” or “I-Sec”	ICICI Securities Limited
“Letter of Offer”	This Letter of Offer dated July 27, 2023 filed with the Stock Exchanges and the SEBI
“Listing Agreement”	The uniform listing agreement entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
“Monitoring Agency”	CARE Ratings Limited
“Monitoring Agency Agreement”	Agreement dated July 27, 2023 entered between our Company and the Monitoring Agency in relation to monitoring of the Net Proceeds
“Multiple Application Forms”	More than one Application form submitted by an Eligible Equity Shareholder/ Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to supplementary Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application
“Net Proceeds”	Issue Proceeds less the Issue related expenses. For further details, see “ <i>Objects of the Issue</i> ” beginning on page 70
“Off Market Renunciation”	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws
“On Market Renunciation”	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Thursday, August 10, 2023
“Record Date”	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares in the Issue, being Wednesday, August 2, 2023
“Refund Bank”	The Banker to the Issue with whom the refund account has been opened, in this case being Kotak Mahindra Bank Limited
“Registrar Agreement”	Agreement dated March 27, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
“Registrar to the Issue” or “Registrar” or “Share Transfer Agent”	Link Intime India Private Limited
“Renouncee(s)”	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
“Renunciation Period”	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on Thursday, August 10, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
“Rights Entitlement(s)”	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being 5 Rights Equity Shares for every 46 Equity Shares held by an Eligible Equity Shareholder
“Rights Equity Shares”	Equity Shares of our Company to be Allotted pursuant to the Issue
“Rights Entitlement Letter”	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements will also accessible on the website of our Company and Registrar
“SCSB(s)”	Self-certified syndicate bank(s) registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or such other website as updated from time to time
“Stock Exchanges”	Stock exchanges where the Equity Shares are presently listed, i.e., BSE and NSE

Term	Description
“Transfer Date”	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
“Wilful Defaulter(s)”	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
“Working Days”	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms or Abbreviations

Term/ Abbreviation	Description/ Full Form
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
“AIF(s)”	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
“AS” or “Accounting Standards”	Accounting standards issued by the ICAI
“BSE”	BSE Limited
“CAGR”	Compounded Annual Growth Rate
“CARE”	CARE Ratings Limited
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category I FPIs”	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“CBDT”	Central Board of Direct Taxes, Government of India
“CCPL”	Convergence Chemicals Private Limited
“CDSL”	Central Depository Services (India) Limited
“Central Government “	Central Government of India
“Civil Code”	Code of Civil Procedure, 1908
“Client ID”	The client identification number maintained with one of the Depositories in relation to the demat account
“Companies Act” or “Companies Act, 2013”	The Companies Act, 2013
“Companies Act, 1956”	erstwhile Companies Act, 1956 along with the relevant rules made thereunder
“Consolidated FDI Policy” or “FDI Policy”	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
“CRISIL”	CRISIL Limited
“CRISIL Report”	Report titled “ <i>Assessment of global and Indian pharmaceutical market</i> ” issued in January, 2023, read with the supplementary report titled “ <i>Assessment of global and Indian pharmaceutical market</i> ” issued in June, 2023 issued by CRISIL and which has been commissioned by our Company
“CSR”	Corporate Social Responsibility
“Depositories Act”	Depositories Act, 1996
“Depository”	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
“DIN”	Director Identification Number
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act
“DP ID”	Depository Participant’s Identification number
“DPIIT”	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly Department of Industrial Policy and Promotion)
“EBITDA”	Aggregate of profit/ (loss) before share of net profit of associate and joint ventures, exceptional items and tax, finance cost and depreciation and amortisation for the year/ period
“EPFO”	Employees’ Provident Fund Organisation

Term/ Abbreviation	Description/ Full Form
“EPS”	Earnings Per Share
“EUR”	Euro
“FDI”	Foreign direct investment
“FEMA”	Foreign Exchange Management Act, 1999
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY”	Period of 12 months ending March 31 of that particular year
“FIR”	First information report
“FPI”	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
“FVCI”	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
“GAAR”	General anti-avoidance rules
“GAAP”	Generally Accepted Accounting Principles in India
“IQVIA”	IQVIA Ltd.
“Official Gazette”	Official Gazette of India
“GIR”	General Index Register
“GOI”	Government of India
“Government”	Central Government and/ or the State Government, as applicable
“GST”	Goods and services tax
“HPPL”	Hemmo Pharmaceuticals Private Limited
“IPC”	The Indian Penal Code, 1860
“ICAI”	Institute of Chartered Accountants of India
“IFRS”	International Financial Reporting Standards of the International Accounting Standards Board
“Income-tax Act”	Income Tax Act, 1961
“Ind AS”	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
“India”	Republic of India
“ISIN”	International Securities Identification Number
“IST”	Indian Standard Time
“IT”	Information Technology
“MCA”	Ministry of Corporate Affairs
“Mn” or “mn”	Million
“Mutual Fund”	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“NACH”	National Automated Clearing House
“Net Asset Value per Equity Share” or “NAV per Equity Share”	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
“Net Worth”	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations and Section 2(57) of the Companies Act, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
“NRE”	Non- residential external
“NRE Account”	Non-resident external account
“NRI”	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
“NRO”	Non- resident ordinary
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“OCBs” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003

Term/ Abbreviation	Description/ Full Form
	and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
“OCI”	Overseas Citizen of India
“PAN”	Permanent Account Number
“PAT”	Profit After Tax
“PEL”	Piramal Enterprises Limited
“PFPL”	PHL Fininvest Private Limited
“RBI”	Reserve Bank of India
“Regulation S”	Regulation S under the Securities Act
“RoC”	Registrar of Companies, Maharashtra at Mumbai
“Return on Net Worth” or “RoNW”	Return on net worth
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	The Securities and Exchange Board of India, constituted under the SEBI Act
“SEBI Act”	The Securities and Exchange Board of India Act, 1992
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“SEBI FPI Regulations”	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
“SEBI ICDR Regulations”	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI ICDR Master Circular”	SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
“SEBI LODR Regulations”	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“SEBI Takeover Regulations”	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“SEBI VCF Regulations”	Erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
“Securities Act” or “U.S. Securities Act”	U.S. Securities Act of 1933, as amended
“STT”	Securities Transaction Tax
“State Government”	Government of a state of India
“TDS”	Tax deductible at source
“USD” or “US\$”	United States Dollar
“U.S.” or “USA” or “United States”	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
“VCFs”	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term/ Abbreviation	Description/ Full Form
“ADC”	Antibody drug conjugates
“ADME”	Absorption, distribution, metabolism and excretion
“API”	Active pharmaceutical ingredients
“ANDA”	Abbreviated New Drug Application
“CDMO”	Contract development and manufacturing organization
“CDSCO”	The Central Drugs Standard Control Organisation
“CHG”	Complex Hospital Generics
“Drug Master Files”	Drug master files
“ECG”	Electrocardiogram
“FDF”	Finished dosage forms

Term/ Abbreviation	Description/ Full Form
“GMP”	Good Manufacturing Practices
“GPO”	Group Purchasing Organization
“ICH”	India consumer healthcare
“KL”	Kilo litres
“KLD”	Kilo litre days
“MHRA”	Medicines and Healthcare products Regulatory Agency
“MIO”	Million output
“MT”	Metric tonnes
“OFAC”	Office of Foreign Assets Control
“OTC	Over the counter
“SEPA”	Scottish Environment Protection Agency
“SKU	Stock keeping unit
“USFDA”	United States Food and Drug Administration
“WHO GMP Guidelines”	World Health Organisation Good Manufacturing Practices Guidelines
“VMS”	Vitamins and minerals

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 393.

This Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager, and the Stock Exchanges.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Application Form and any other Issue Materials may not be distributed, in whole or in part, in any jurisdiction (other than in India), except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Application Form or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. This Letter of Offer, and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer or any of the Issue Materials. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 393.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person’s jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Restrictions on Purchases and Resales*” beginning on page 393. The Rights Equity Shares are transferable only in accordance with the restrictions described in “*Restrictions on Purchases and Resales*” beginning on page 393.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it is either in India or is in compliance with laws of its jurisdiction, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares in terms of this Letter of Offer, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the prescribed limits under applicable laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any U.S. federal or state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to (i) the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) ‘India’ are to the Republic of India and its territories and possessions; and (iii) the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year. Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Our Company was incorporated on March 4, 2020. Accordingly, we have included in this Letter of Offer the Restated Consolidated Financial Information for the Financial Year ended March 31, 2023 and March 31, 2022 and the Financial Period of one year and 28 days period ended March 31, 2021.

Unless stated otherwise or the context otherwise requires, the financial data in this Letter of Offer is derived from the restated consolidated financial information of our Group which includes our Group’s share of profit in its associates and joint venture, which comprises of the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the years ended March 31, 2023 and March 31, 2022, and for the period from March 4, 2020 to March 31, 2021, and the summary of significant accounting policies and other explanatory information, prepared in terms of the requirements of (i) Section 26 of Part I of Chapter III of the Companies Act; (ii) the SEBI ICDR Regulations; and (iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. For further information, see “Financial Statements” beginning on page 170.

Unless otherwise stated, references in this Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees, in crore.

Non-GAAP Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Market and Industry Data

Unless stated otherwise, the industry related information contained in this Letter of Offer, including in “Risk Factors”, “Industry Overview” and “Our Business” on pages 18, 119 and 137, has been derived from report titled “Assessment of global and Indian pharmaceutical market” issued in January, 2023 read with the supplementary report titled “Assessment of global and Indian pharmaceutical market” issued in June, 2023 (the “CRISIL Report”) prepared by CRISIL pursuant to an engagement letter dated February 14, 2023. The CRISIL Report has been commissioned and paid for by our Company, for an agreed fee only for the purposes of confirming our understanding of the industry in connection with the Issue.

The CRISIL Report is subject to the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest/ disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide

any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Piramal Pharma Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Further, certain industry related information included in this Letter of Offer is also derived from IQVIA data which has been commissioned and paid for by our Company and is subject to the following disclaimer:

"The enclosed materials include information derived from market research information provided by IQVIA and its affiliated companies. IQVIA market research information is proprietary to IQVIA and available on a confidential basis by subscription from IQVIA. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly."

Although we believe that the industry and market data used in this Letter of Offer is reliable, this information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, and thus we have relied on internally developed estimates. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors – 57. This Letter of Offer contains information from third parties, including an industry report commissioned and paid for which is exclusively prepared for the purposes of the Issue and issued by CRISIL Limited, which has been used for industry related data in this Letter of Offer. Accordingly, prospective investors are advised not to base their investment decision solely on such information." on page 46. Accordingly, investment decisions should not be based solely on such information.

Currency of Presentation

All references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India; and
- 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

Please note:

- One million is equal to 1,000,000 or 10 lakhs;
- One crore is equal to 10 million or 100 lakhs; and
- One lakh is equal to 100,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currency as on March 31, 2023, March 31, 2022 and March 31, 2021, is as follows:

Exchange rate as on*				
Sr. No.	Name of the Currency	March 31, 2023 (in ₹)	March 31, 2022 (in ₹)	March 31, 2021 (in ₹)
1.	1 AUD [#]	55.02	56.74	55.66
2.	1 CAD [#]	60.66	60.51	58.02
3.	1 EUR [^]	89.61	84.66	86.10
4.	1 GBP [^]	101.87	99.55	100.95
5.	1 USD [^]	82.22	75.81	73.50
6.	1 ZAR [#]	4.62	5.22	4.93

Note: Exchange rate is rounded off to two decimal places.

[#] Source: Greenback Advisory Services Private Limited

[^] Source: www.fbiil.org.in

*On instances where the given day is a holiday, the exchange rate from the previous working day has been considered.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- changes to regulations which govern the industry in which we operate or failure or delay in obtaining necessary permits or approvals or increase in costs to obtain necessary permits or approvals or revocation or non-renewal of approvals;
- deterioration in the quality, delay, interruption, or shortage in the supply of raw materials or finished formulations from our third-party suppliers and manufacturers;
- ongoing enquiry by SEBI with respect to non-disclosure of certain information to the Stock Exchanges prior to incorporation of our Company;
- material disruption, slowdown or shutdown in our development and manufacturing units; and
- extensive regulations, inspections, customer quality audits and regulatory actions.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” and “*Our Business*” beginning on pages 18 and 137, respectively. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company, the Lead Manager and its affiliates undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchanges requirements, our Company will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including “*Risk Factors*”, “*Objects of the Issue*”, “*Our Business*” and “*Outstanding Litigation and Material Developments*” beginning on pages 18, 70, 137 and 348, respectively.

Primary Business of our Company

We are a pharmaceutical company with global operations, providing end-to-end pharma services to customers and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals – Piramal Pharma Solutions, an integrated contract development and manufacturing organization having development and manufacturing capabilities in areas such as highly potent active pharmaceutical ingredients, antibody drug conjugates, peptides, sterile injectables and hormonal products; Piramal Critical Care, a complex hospital generics business in the areas of inhalation anaesthesia, injectable anaesthesia, pain management, intrathecal therapy and other injectables; and India consumer healthcare business, selling well-known over the counter brands such as Little’s, Lacto Calamine and I-Pill.

The following table sets forth the revenue break-up for our integrated contract development and manufacturing organization, complex hospital generics and India consumer healthcare for the Financial Year 2023, the Financial Year 2022 and Financial Period 2021.

Business	Financial Year ended March 31, 2023		Financial Year ended March 31, 2022		Financial Period ended March 31, 2021	
	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)
Contract development and manufacturing organization	4,015.81	56.71	3,750.35	57.18	3,870.54	61.29
Complex hospital generics	2,285.87	32.28	2,002.11	30.52	1,923.63	30.46
India consumer healthcare	858.77	12.13	806.06	12.29	554.80	8.79
Others*	(78.90)	(1.12)	0.58	0.01	(34.07)	(0.54)
Total	7,081.55	100.00	6,559.10	100.00	6,314.90	100.00

* Includes foreign exchange gains/ (losses) which are not directly attributable to any individual business vertical of our Company.

Primary Industry in which our Company operates

The Company operates as a contract development and manufacturing organization wherein pharmaceutical companies outsource their development and manufacturing activities to a contract development and manufacturing organization in order to *inter-alia* reduce capex costs and gain access to specialised knowledge and technology. Complex hospital generics is complex drug-device combination products or are products that have complex active ingredients, formulations, dosage forms, or routes of administration. The Indian consumer healthcare market primarily comprises over the counter medicines which are legally allowed to be sold by pharmacists without any need for a prescription, and also includes products in the consumer care segments.

Name of our Promoter

Our Promoter is Ajay G. Piramal.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

(in ₹ crore)	
Particulars	Estimated amount (up to)
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	859.24
General corporate purposes*	166.22
Total Net Proceeds	1,025.46

* The amount shall not exceed 25% of the Net Proceeds.

For further details, see “*Objects of the Issue*” beginning on page 70.

Summary of consolidated financial statements

A summary of the Restated Consolidated Financial Information as of and for the Financial Year ended March 31, 2023, March 31, 2022 and as of and for the Financial Period ended March 31, 2021, are as follows:

(in ₹ crore, except per share data)			
Particulars	As of and for the Financial Year ended March 31, 2023	As of and for the Financial Year ended March 31, 2022	As of and for the Financial Period ended March 31, 2021 ^{\$}
Equity Share capital	1,193.32	1,185.91	994.60
Net Worth ^{#@}	5,968.45	6,069.94	5,076.75
Revenue from operations	7,081.55	6,559.10	6,314.90
Profit/ (loss) after tax	(186.46)	375.96	835.03
Earnings per share			
- Basic	(1.57)	3.19	13.30
- Diluted	(1.57)	3.19	13.30
Net Asset Value per Equity Share ^{*@}	50.02	51.18	51.04
Total borrowings (as per balance sheet)	5,504.77	4,023.28	2,910.19

* Net asset value per equity share (₹): Net assets at the end of the year/period divided by total number of equity shares outstanding at the end of the year/period.

Net worth: Net worth is computed in accordance with Section 2(hh) of SEBI ICDR Regulations. "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited.

@ For reconciliation of Non-GAAP measures, please see "Other Financial Information – Reconciliation of Non-GAAP Measures" on page 318.

\$ 12 months and 28 days period ended March 31 of the year. Includes period from March 4, 2020 till March 31, 2021, as our Company was incorporated on March 4, 2020.

Summary of outstanding litigation and material developments

A summary of outstanding litigation proceedings involving our Company, Directors, Promoter and Subsidiaries, as on the date of this Letter of Offer is provided below:

Name of entity	Criminal matters	Actions by regulatory or statutory authorities	Civil Matters		Tax Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter during the last five Financial Years	Aggregate amount involved (₹ in crore) *
			Above the materiality threshold	Non-quantifiable but otherwise deemed material			
Company							
By the Company	10	N.A.	Nil	Nil	N.A.	N.A.	0.80
Against the Company	1	11	Nil	Nil	98	N.A.	139.89**
Directors							
By the Directors	Nil	N.A.	Nil	Nil	N.A.	N.A.	Nil
Against the Directors	Nil	2	Nil	Nil	2	N.A.	0.02
Promoter							
By the Promoter	Nil	N.A.	Nil	Nil	N.A.	N.A.	Nil
Against the Promoter	3	Nil	Nil	Nil	1	1***	3.07
Subsidiaries							
By the Subsidiaries	Nil	N.A.	Nil	Nil	N.A.	N.A.	Nil
Against the Subsidiaries	Nil	4	Nil	Nil	16	N.A.	3.47****

* To the extent quantifiable.

** In relation to the show cause notice dated September 28, 2020, issued by the Telangana State Pollution Control Board, we have not included the alleged outstanding amount equivalent to 0.5% of our annual turnover for FY 2016-17, FY 2017-18 and FY 2019-20. For further details, see "Outstanding Litigation and Material Developments- Litigations against our Company- Actions taken by Regulatory or Statutory Authorities" on page 349.

*** The order passed by the SEBI was modified by the Securities Appellate Tribunal, Mumbai vide its verdict dated May 15, 2019, and the imposition of penalty was converted into a warning with a further direction that if any such incident occurs in future, it would be open to SEBI to proceed in accordance with law. For further details, see "Outstanding Litigation and Material Developments – Litigation involving our Promoter" on page 352.

**** 1R = ₹4.63 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited), 1\$ = ₹82.005 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited) and 1EUR = ₹90.82 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited).

For further details, see "Outstanding Litigation and Material Developments" beginning on page 348.

Risk Factors

For details, see “*Risk Factors*” beginning on page 18. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent liabilities

The details of our contingent liabilities as of March 31, 2023, see “*Financial Statements – Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 26*” on page 225.

Related party transactions

For details regarding our related party transactions for the Financial Year ended 2023 and 2022 and Financial Period ended 2021, see “*Financial Statements – Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 40*” on page 245.

Issue of Equity Shares for consideration other than cash

Except as disclosed below, our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing this Letter of Offer:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Premium per Equity Share (₹)	Nature of allotment	Nature of consideration
September 5, 2022	95,46,54,800	10	151.81	Allotment of Equity Shares pursuant to the Scheme	Consideration other than cash

Split/ Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Letter of Offer.

Exemption from complying with any provisions of securities laws, if any, granted by Securities and Exchange Board of India

Our Company has not applied for or received any exemption from the Securities and Exchange Board of India from complying with any provisions of securities laws, as on the date of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider each of the following risk factors and all other information in this Letter of Offer, including the risks and uncertainties described below, before evaluating our business and making an investment in the Equity Shares pursuant to the Issue. You should read this section together with “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Statements”, and “Other Financial Information” beginning on pages 119, 137, 323, 170 and 318, respectively. Prospective investors should also consult their tax, financial and legal advisors about the particular consequences to them of an investment in the Equity Shares.

The risks and uncertainties described in this section are not the only risks that are relevant to us or the Equity Shares or industry in which we currently operate. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, financial condition, results of operations and cash flows. If any of the following risks or other risks that are not currently known or are now deemed immaterial occur, our business, financial condition, results of operations and cash flows could be adversely affected and the trading price of our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. For details, see “Forward-Looking Statements” on page 14.

*The industry-related information contained in this section is derived from the report titled “Assessment of global and Indian pharmaceutical market” issued in January, 2023 read with the supplementary report titled “Assessment of global and Indian pharmaceutical market” issued in June, 2023 (the “**CRISIL Report**”) prepared by CRISIL Research (“**CRISIL**”). For details, see “Industry Overview” beginning on page 119. We commissioned and paid for the CRISIL Report for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated February 14, 2023. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Issue, as no report is publicly available which provides a comparable, comprehensive analysis of the housing finance industry, particularly for our Company’s services, similar to the CRISIL Report.*

Our Financial Year ends on March 31 of each year. Accordingly, references to “Financial Year 2023” and “Financial Year 2022” are to the 12-month period ended March 31, 2023 and March 31, 2022, respectively. Further, our Company was incorporated on March 4, 2020. Accordingly, Financial Year Period 2021 includes period from March 4, 2020 to March 31, 2021. Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from the Restated Consolidated Financial Statements, which are included in this Letter of Offer.

INTERNAL RISK FACTORS

- 1. The industry in which we operate is heavily regulated and our business activities require various approvals, licenses, registrations and permissions. Any change to such regulations or failure or delay in obtaining necessary permits or approvals, or increase in costs to obtain necessary permits or approvals or if such permits or approvals are revoked or not renewed, our business, financial condition, cash flows and results of operations may be adversely affected.***

We operate in a highly regulated industry and our operations, including development, testing, manufacturing, marketing and sale of our products are subject to extensive laws and regulations in India and other countries. To conduct our business, we need product registrations and other approvals granted by authorities in, among others, India, the United States, Middle East, Europe, Japan and South Africa and various other foreign governmental authorities and health regulatory bodies. The cost of acquiring such authorisations and approvals is substantial. Governmental authorities in India, the United States, Europe, Japan, South Africa, Indonesia and other countries to which we supply our products, impose different rules and regulations on research, development, manufacture, and testing to ensure the safety of pharmaceutical products. There can be delays in obtaining required clearances from regulatory authorities in any country after applications, including for renewals, are filed. For instance, as on the date of this Letter of Offer, (i) registrations for our 26 products were pending for renewal and under review by the relevant authorities and our Company’s ability to continue marketing such products will depend on the outcome of the renewal process; (ii) applications for our six products were pending before the authorities in LATAM, CIS and Africa; and (c) six Drug Master Files were pending before the authorities in Europe, South Korea, among others. For details of products for which registration of products are pending for renewal and applications are pending for approval, please see “Our Business – Our Strategies” on page 141. Obtaining and maintaining regulatory approval of any of our current or future products in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approval in any other jurisdiction. Regulatory authorities in many of our international markets must also approve our products before we can market them, irrespective of whether these products are approved in India or other markets. Any failure or

delay in obtaining regulatory approvals, or any implementation of new standards or conditions that have to be met in order to obtain such approvals, could impact the supply and marketing of our products and, in turn, affect our financial condition, cash flows and results of operations.

The approval process for a new product and for renewals may be complex, lengthy and expensive. Further, in some jurisdictions, we are required to obtain licenses in the name of local distributors. Failure by us or such local distributors to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. Further, certain of the approvals we require for our business are in the name of the entities which we acquired in the past and we are in the process of transferring such licenses and approvals in our name. For instance, (a) no objection certificate from the Department of Fire have been issued in the name of HPPL for our development and manufacturing unit at Thane; (b) provisional no objection certificate from the Department of Fire is in the name of Vaid Elastomer Processes Private Limited and consent to establish is in the name of PEL, for our development and manufacturing facility at Rabale. Similarly, certain licenses in relation to our manufacturing and development facilities which were transferred to our Company pursuant to the Scheme are in the name of Piramal Enterprises Limited which are in the process of being transferred in the name of our Company. Failure to maintain compliance with regulatory requirements may also result in administrative actions, such as fines, warning letters, refusal to approve pending applications (including ANDA filings), product seizures, refusal to permit the import of products into the destination country, or restrictions on marketing or manufacturing.

There may be uncertainty relating to pricing and other regulations which vary widely from country to country. The regulations applicable to our existing and future products may also change. Any change in the regulations, enforcement procedures or regulatory policies set by the USFDA, including under the Federal Food, Drug, and Cosmetic Act ("FFDCA"), MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria), BGV Hamburg (Germany), CDSCO (India) and other regulatory agencies could increase the costs or time of development of our products and delay or prevent sales of our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted, may have on our business in the future.

2. ***As of March 31, 2023, 25.17% and 13.45% of raw materials for our products and finished formulations were supplied by third party suppliers and manufactures, respectively, as a percentage of total revenue of our Company for these periods. Any deterioration in the quality of raw materials and finished formulations or delay, interruption or shortage in the supply of our raw materials or finished formulations from our third-party suppliers and manufacturers, or an increase in the costs of such raw materials and finished formulations, may adversely impact the pricing and supply of our products and have an adverse effect on our business, financial condition, cash flows and results of operations.***

We depend on third-party suppliers for the supply of certain raw materials for our consumer healthcare products. We also rely on third parties for manufacturing some of our finished formulations and enter into long and short-term contracts on a need basis. The terms of contracts vary across our business verticals. The tenure of third-party manufacturing agreements for the ICH business typically ranges from two to five years, and for the CHG business, the tenure typically ranges from three to five years, while the tenure of the third -party licensing and supply agreements we enter into with respect to our CHG business typically ranges from one to ten years and the tenure of the third-party purchase agreements we enter into with respect to our CDMO business typically ranges from one to five years. Our contracts include varying terms of remedies for delay and defaults including penalty/ recourse for failure to supply, replacement at no cost in case the product is not as per the specification required under the contracts or reimbursement in case product is rejected, indemnities for breach, any third party loss/ damage arising from manufacturer's failure, any negligence or wilful misconduct of manufacturer. In the event these contracts are terminated or if at any time the suppliers of these raw materials are unable to fulfil our demand of our raw materials for any reason, it could have an adverse impact on production capacity. Our raw material suppliers, including for our development and manufacturing facilities in India, are primarily located in India, the United States, China and Europe. The following table sets forth the details of the amounts paid to our largest supplier for raw materials for the Financial Year 2023 and 2022 and Financial Period ended March 31, 2021, as a percentage of our total expenses during these periods:

(In ₹ crore, except percentage data)

Financial Year ended March 31, 2023	% of Total Expenses	Financial Year ended March 31, 2022	% of Total Expenses	Financial Period ended March 31, 2021	% of Total Expenses
84.05	1.30	103.53	1.85	92.02	1.88

Further, the following table sets forth the total amount paid to top 10 suppliers for the Financials Years 2023 and 2022 and the Financial Period ended March 31, 2021, as a percentage of our total revenue during these periods:

Financial Year ended March 31, 2023	% of total revenue	Financial Year ended March 31, 2022	% of total revenue	Financial Period ended March 31, 2021	% of total revenue
859.06	12.13	968.94	14.77	663.63	10.51

Further, the following table sets forth the details of geography wise break up of procurement of raw materials and finished products for the Financial Years 2023 and 2022 and the Financial Period ended March 31, 2021, as a percentage of total procurements of the Company during these periods:

Geography	Total procurement from the geography as a % of total procurement of the Company for that period		
	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
India	47.98	48.64	39.34
USA	16.89	11.97	16.16
United Kingdom	9.80	10.34	10.10
China	8.69	8.22	9.84
Belgium	1.42	5.07	6.64
Canada	2.67	3.69	2.92
Others	12.55	12.08	15.01
Total	100.00	100.00	100.00

Our third-party manufacturers are located in India, the United States and Europe. The following table sets forth the details of our revenue from products manufactured through third party manufacturing arrangements for the Financial Years 2023 and 2022 and Financial Period ended March 31, 2021, as a percentage of our revenue from operations during these periods:

(In ₹ crore, except percentage data)

Particulars	Financial Year ended March 31, 2023	% of total revenue	Financial Year ended March 31, 2022	% of total revenue	Financial Period ended March 31, 2021	% of total revenue
Revenue from third party manufacturing operations	1,706.79	24.10	1,643.93	25.06	1,407.73	22.29

Additionally, the raw materials used in the manufacture of our products, including packaging materials, are subject to supply disruptions and price volatility caused by various factors, such as commodity market fluctuations, the quality and availability of such materials, currency fluctuations, consumer demand, and the regulatory environment. For instance, during the COVID-19 pandemic, we faced supply delays for a short period of time at our facility located at Grangemouth as certain raw materials used by us to manufacture our products, were also used for production of vaccines by biological companies, and these raw materials were diverted to such biological companies. Similarly, due to COVID-19 pandemic and the geopolitical turmoil between Russia and Ukraine, there was an increase in prices of raw materials, freight cost, etc. which adversely impacted the financial condition our Company.

If supplies of raw materials are adversely affected, we may be unable to identify and engage with substitute suppliers at reasonable prices and in a timely manner. Any increase in the prices or demand for such raw materials, may result in increased cost pressures, and materially and adversely affect our business and results of operations. Unanticipated supply shortages could also lead to the slowdown or shutdown of our operations or the under-utilization of our development and manufacturing units.

In addition, as we sell our products in developed and regulated markets, we are required to source substantially all of our raw materials from suppliers compliant with certain 'good manufacturing practice' standards. There can be no assurance that our suppliers will, at all times, comply with such standards or that the quality of raw materials or finished formulations being supplied to us will not be compromised by such third party suppliers. Further, any lapses in quality control procedures or equipment failure in the manufacturing facilities of our suppliers may result in delayed delivery of our products to the markets we cater. For instance, one of our manufacturing partners in the CHG business informed us about certain out-of-specification instances in the anti-infective injectable products manufactured by such partner which was attributable to failure of environmental monitoring test results. We issued a field alert report on May 4, 2023 to our distributors and stopped the supply of these products in the market and is in process of recalling the products. Further, we may be compelled to make alternative arrangements for supply of necessary raw materials, which may not be available in requisite quantities or at prices acceptable to us. In addition, our ability to control raw material costs by using potential substitutes is restricted on account of the strict quality standards applicable to our products. A failure to maintain our required supply of raw materials, and an inability to ensure alternate raw material sources on terms acceptable to us could adversely affect our ability to conduct our operations efficiently, which could materially and adversely affect our business, prospects, financial condition and results of operations.

3. ***We are subject to an ongoing inquiry by SEBI with respect to non-disclosure of certain information to the Stock Exchanges prior to our incorporation.***

SEBI has issued a show cause notice against our Company pursuant to letter dated May 31, 2023 (“SCN”) under Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, read with Section 15I of the Securities and Exchange Board of India Act, 1992 and Rule 4(1) of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 read with Section 23-I of the Securities Contracts (Regulation) Act, 1956, alleging non-disclosure of certain material information to the stock exchanges as required in terms of SEBI Listing Regulations with respect to imposition of a penalty of ₹8.32 crores by the National Green Tribunal (“NGT”) on PEL vide order dated November 13, 2019 and shut down of a plant of PEL (now held by the Company) situated at Digwal, Telangana pursuant to order dated November 29, 2018 issued by the Telangana State Pollution Control Board and misrepresentation in the business responsibility reports included in the annual reports of PEL for Financial Years 2019 and 2020 (“**Alleged Non-Disclosures**”).

PEL, in several correspondences with SEBI and NSE, clarified that the Company was incorporated on March 4, 2020 and was not in existence at the time of imposition of penalty by NGT and closure of the plant situated at Digwal, Telangana and the Alleged Non-Disclosures were not material events in terms of the policy on materiality of events and information adopted by PEL at the time of the occurrence of the incidents. Further, the Company has previously responded on February 21, 2023 to certain clarifications sought by SEBI via email dated February 17, 2023. While we have responded to SEBI pursuant to our letter dated July 14, 2023 and held a personal meeting with SEBI denying all allegations, we cannot assure you that there will be no further actions taken or penalties or fines imposed against our Company by SEBI and/or any other regulatory authority in relation to the Alleged Non-Disclosures. For details in relation to the notice received from SEBI, please see “*Outstanding Litigation and Material Developments - Litigation against our Company - Actions taken by Regulatory or Statutory Authorities*” on page 349.

4. ***Our profit after tax and profit margin, Return on Net Worth (“RoNW”) and other financial ratios have declined in the past three years and we have incurred a loss in Financial Year 2023.***

We have incurred a loss in Financial Year 2023. Our restated profit decreased by (i) 149.60% to ₹(186.46) crore in Financial Year 2023 from ₹375.96 crore in Financial Year 2022 and (ii) 54.98% to ₹375.96 crore in Financial Year 2022 from ₹835.03 crore in Financial Period 2021. This was inter alia due to (a) increase in our total income; (b) decrease in income tax expense; (c) higher cost of goods sold; (d) finance cost; and (e) depreciation and amortization expense. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 323. Further, our RoNW decreased by 150.44% to (3.12%) in Financial Year 2023 from 6.19% in Financial Year 2022 and by 62.34% to 6.19% in Financial Year 2022 from 16.45% in Financial Period 2021. This was inter alia due to (a) higher cost of goods sold; (b) employee benefit expenses; (c) finance cost; and (d) depreciation and amortization expense.

Additionally, the following ratios have declined in Financial Year 2023 as compared to Financial Year 2022 for the following reasons. For further details, see “*Other Financial Information*” on page 318:

Sr. No.	Ratio	As of and for the Financial Year ended			Reason for decrease in Financial Year 2023 as compared to Financial Year 2022
		March 31, 2021	March 31, 2022	March 31, 2023	
1.	Net profit ratio	13.1%	6.08%	(1.94)%	Decrease in profit
2.	Return on capital employed	20.8%	10.45%	2.89%	Decrease in profit
3.	Return on Equity ratio	14.9%	6.1%	(2.77)%	Decrease in profit
4.	Debt equity ratio	0.52	0.60	0.81	Increase in borrowings
5.	Debt service coverage ratio	0.64	2.02	0.24	Decrease in profit and increase in interest and principal repayment of long term debt
6.	Inventory turnover ratio	235.14	195.12	207.27	Increase in average inventory
7.	Trade payables turnover ratio	163.18	139.35	148.09	Increase in trade payables
8.	Current ratio	1.47	1.34	1.26	Increase in current borrowings
9.	Net capital turnover ratio	3.63	2.64	2.24	Higher increase in working capital as compared to increase in sale of goods and services
10.	Return on investment	101.5%	41.82%	39.55%	Decrease in dividend income

We cannot assure you that we will become profitable or our RoNW or other ratios will increase in the future. Any further losses or decline in ratios may have a material adverse effect on our business, results of operations, financial condition and cash flows.

5. *Our business is dependent and will continue to depend on our development and manufacturing units. Any material disruption, slowdown or shutdown in our development and manufacturing units could adversely affect our business, financial condition, cash flows and results of operations.*

Our operations are supported by 17 development and manufacturing facilities in India and abroad. For details of the capacities of our development and manufacturing facilities, see “Our Business – Manufacturing Operations” on page 146.

Our business is dependent on and will continue to depend on our ability to manage our development and manufacturing facilities, which are subject to various operating risks and factors outside our control including breakdown and/or failure of equipment or industrial accidents that require significant repair and maintenance costs, difficulties with production costs and yields, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters and outbreaks of infectious diseases, such as the current COVID-19 pandemic which affected, among others, global supply chains, political instability, and cooperation of our employees. Any of the foregoing could cause delays in our operations or require us to shut down the affected development and manufacturing site. For instance, we have had accidents in the past at our development and manufacturing units situated at Digwal, Telangana and Ennore, Tamil Nadu in Financial Year ended March 31, 2022, which caused interruptions at these facilities. However, there was no financial loss caused to our Company. We use highly flammable materials such as acetone, ethanol, methanol and toluene in our manufacturing processes and are therefore subject to the risk of loss arising from fire or explosions.

We may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our development and manufacturing facilities to suspend or limit production, or transfer production to other approved facilities, until the required approvals are received or observations concerning these approvals are resolved. Our inability to effectively respond to any such shutdown or slowdown and rectify any disruption in a timely manner and at an acceptable cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition and results of operations.

6. *Our business is subject to extensive regulation, inspections and customer quality audits. In the event we are unable to comply with the requirements of regulatory agencies, we may be subject to regulatory actions such as temporary or permanent restriction to market and sell our products in certain jurisdictions, withdrawal of our products from certain jurisdictions, closure of development and/or manufacturing units, litigation or other liabilities, which could cause disruptions or delays in approval for new products and/or production, which in turn could adversely affect our business.*

We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines and criminal sanctions in those jurisdictions. Our development and manufacturing facilities and products are subject to inspection/ audit by our customers and other regulatory bodies, and if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter, which could result in the withholding of product approval for new products. We are also required to meet quality standards and other specifications set out in our contractual arrangements.

We have obtained approvals from certain regulatory bodies, including the Central Drugs Standard Control Organization of India (“CDSCO”) and the Food Safety and Standards Authority of India (“FSSAI”), in India and global regulators such as USFDA, MHRA, SEPA etc., that enable us to manufacture, distribute and license our products in the markets we operate and are crucial for maintaining the scale of our operations. We also have ongoing obligations to regulatory authorities in India and foreign countries, both before and after a product’s commercial release and in respect of development and manufacturing facilities and products from regulatory agencies of the countries where we market and sell our products. In connection with maintaining and periodically renewing these approvals, such regulatory bodies impose various stringent requirements on us in respect of, among others, research and development, testing, manufacturing, safety, hygiene and storage. In addition, our development and manufacturing facilities and products are subject to periodic inspection/ audit by these regulatory agencies, including EPFO, USFDA and if we are unable to comply with their requirements, our development and manufacturing facilities and products may be subject to regulatory action, including amendment or withdrawal of our existing approvals, temporary or permanent restriction to market and sell our products in certain jurisdictions or result in the withdrawal of a product from certain markets or affect approvals of new products from the respective development and manufacturing unit. For example, in the past, following observations have been issued by regulatory authorities:

Date of inspection report	Development and manufacturing facility	Material Observations issued	Corrective action
September 17, 2021	Ennore	The Director of Drugs Control noted certain observations such as establishment of procedure for destruction of material after expiry, procedures to be established for duration of usage of pH meter calibration solutions, revision of procedure to make photocopy of ECG reports available in thermal paper	Rectification completed
March 1, 2022	Mahad	Indian FDA and CDSCO conducted inspections and issued certain observations which required us to upgrade the site master file to meet the requirements provided under the Drugs & Cosmetics Rules, 1945, as amended, as well as adherence to the WHO GMP Guidelines not defining recall time for drugs manufactured by our Company, rectification of storage tanks, leakage of syrups from transfer pumps, among others.	Rectification completed
April 25, 2022	Pithampur		
February 24, 2023	Sellersville	USFDA inspected the facility and observations under 'voluntary action indicated' were issued for, among others, not following the test method during the release of raw material, incorrect usage of terms impacting the ability of the product to be reviewed by the regulator and non-usage of second working standard solution.	We submitted a report to the USFDA explaining the corrective measures taken including the enhanced chromatographic practices and revising the procedure for laboratory investigations. On submission of the report by our Company, the establishment inspection report has been issued by the USFDA closing the inspection.
February 10, 2023	Lexington	USFDA conducted inspection and observations were issued for, among others, analyst failing to follow procedures by repeated marking interior airlock door as open instead of closed, deviations from written procedures not being recorded and justified, unlabelled equipment parts and equipment cleaning, missing initials or signatures, quarantine and released substances being stored along with unlabelled substances and complaint records being deficient.	We submitted a report to the USFDA explaining the corrective measures taken including improved training, initiation of revised SOPs to include more detailed instructions and undertaking the improvement of warehouse and inventory management, bar coding and enhancing control over inventory status. On submission of the report by our Company, the establishment inspection report has been issued by the USFDA closing the inspection.

In the United States, India, and many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

Further, certain approvals or certifications that we have received from these regulators will expire in the near future in the ordinary course of business. Certain of our material approvals will be required to be renewed in this calendar year 2023, such as, among others, the (i) factory licenses issued to our development and manufacturing facilities at Ennore, PPDS and Pithampur; (ii) labour registration certificate issued to our development and manufacturing facility at Mahad; (iii) fire NOC issued to the development and manufacturing facility at Ennore; (iv) drug establishments issued by the FDA to the development and manufacturing facilities at Grangemouth and Morpeth; (v) Certificates of Drug & Device Registration issued to our development and manufacturing facility at Bethlehem; (vi) manufacturing license issued to our development and manufacturing facility at Riverview; (vii) USFDA registration issued to our development and manufacturing facility at Lexington; (ix) hazardous materials registration certificate issued to our development and manufacturing facility at Sellersville; and (x) Fimea certificate of GMP compliance for PPDS. Our Company will be applying for renewal of these and other approvals or certifications in the ordinary course of business, whenever required. However, in the event we are unable to maintain or renew these approvals or certifications in a timely manner it could lead to disruptions or delays in production, which in turn could adversely affect our business, financial condition, cash flows or results of operations. For instance, the manufacturing license applied by our development and manufacturing facility at Turbhe for ‘atosiban acetate’ has been rejected by the State FDA on April 13, 2023.

Our customers also periodically conduct audits on our facilities. For instance, following are some of the material observations that have been provided by our customers in the past basis audits conducted by them:

Financial Year	Material observations issued
2020-2021	<ul style="list-style-type: none"> Document review to be strengthened for timely identification of missing entries Warehouse organisation was deficient and quality system was inadequate Corrective and preventive actions for previous audit observation were not implemented adequately.
2022-2023	<ul style="list-style-type: none"> Deficiency related to material management- overcrowding in the warehouse Issues in adherence with the written procedures for production and process controls Warehouse is over-crowded Compliance gaps with respect to stability program pertaining to testing timeline and sample storage.

While we have undertaken corrective actions to rectify the observations set out above and no actions were taken by the customers, if we fail to successfully clear such audits or fail to implement suggestions made by our customers, such customers may cease to do business with us which will adversely affect our business, results of operation and financial condition.

Further, we have been subject to inspections undertaken by USFDA in the past. For instance, our facility at Sellersville was inspected by USFDA in December 2022 and observations under ‘voluntary action indicated’ were issued for, among others, not following the test method during the release of raw material, incorrect usage of terms impacting the ability of the product to be reviewed by the regulator and non-usage of second working standard solution. Subsequently, a corrective and preventive actions procedures were undertaken by our Subsidiary and submitted to the USFDA. Thereafter, an establishment inspection report has been issued by the USFDA with no adverse remarks. Further, our facility at Digwal, India has received a notice dated December 1, 2022 from the USFDA to conduct GMP inspection at the facility. Similarly, one of our Subsidiaries, Piramal Critical Care Inc. (“PCCI”), received a notice dated December 22, 2022 from the Pennsylvania Department of Environment Protection in relation to an unpermitted discharge of material at the Bethlehem facility which was carried onward to an offsite stormwater swale. PCCI submitted that the release occurred due to a process equipment automation failure and PCCI has undertaken a review of the process automation system to correct the fault and as preventive measures periodic checks will be undertaken and the emergency scrubber knockout pot will be redesigned. Further, one of our Subsidiaries, Piramal Healthcare UK Limited (“PHUK”) received a notice of contravention dated May 21, 2021 from UK Health and safety executive (“HSE”) with the observations related to a review of COSHH (control of substances hazardous to health regulations) assessments and adequately control their exposure to those substances. Following a site visit on July 7, 2021, PHUK received an improvement notice dated August 5, 2021 and further correspondence on the same on October 7, 2021, with the following observations: (i) PHUK is required to undertake a thorough examination and testing of Respiratory Protective Equipment (“RPE”) used in the female hormone compound (“FHC”) department; (ii) PHUK is required to undertake control of exposure to API during cleaning in FHC department; (iii) establish where the central vacuum system is being used as local exhaust ventilation (“LEV”) to control exposure to substances hazardous to health, i.e. API at source; (iv) suitable TExT (Thorough examination and testing) is carried out for all identified LEV on site; and (v) develop a comprehensive air monitoring programme for other areas of the pharmaceutical manufacturing facility

where API are used. For details, see “*Outstanding Litigation and Material Developments*” on page 348. Since the outcome of such inspections and visits at our development and manufacturing facilities is uncertain, we may be required to devote management and financial resources which could impact our financial condition, cash flows and results of operations.

7. *Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, financial condition, cash flows and results of operations.*

We evaluate our production requirements based on anticipated demand based on forecasted customer order activity for our products. Our inventory balance of materials is influenced by our production requirements, shelf life of the raw materials, expected sourcing levels and changes in our product sales mix. Accurate assessments of market demand require significant investment in our sales and marketing network and training of marketing personnel. Our business depends on our estimate of the demand for our formulations and consumer healthcare products from our customers. As of March 31, 2023, our total inventories amounted to ₹1,681.37 crore or 11.58% of our total assets. Further, as of March 31, 2023, March 31, 2022 and March 31, 2021, our total inventories amounted to ₹1,681.37 crore, ₹1,388.80 crore and ₹1,232.00 crore, respectively, or 23.74%, 21.17% and 19.51%, respectively of our total revenue. While we seek to accurately forecast the demand for our products and, accordingly, plan our production volumes, there is no guarantee that our estimate of market demand for our products in India or our overseas markets will be accurate.

A number of factors may reduce the end-user demand for our products including, among other things, an over-supply on account of increased competition. On the other hand, we may overestimate demand or demand from our customers may slow down. As a result, we may produce pharmaceutical and consumer healthcare products in excess of the actual demand, which would result in surplus stock that we may not be able to sell in a timely manner. Our profitability may be affected if such products are not sold prior to their expiry.

8. *Our profitability has decreased in the past due to various factors and we cannot assure that there will be an increase in our profits in the future.*

The following table sets forth the restated profit of our Company for the Financial Year ended 2023, the Financial Year 2022 and Financial Period ended March 31, 2021:

Particulars	Financial Period ended March 31, 2021	Financial Year ended March 31, 2022,	Financial Year ended March 31, 2023
Net profit/ (loss) after tax	835.03	375.96	(186.46)

The decrease in our net profit after tax is primarily due to increase in total expenses on account of higher cost of goods sold, increase in employee benefits expense, finance cost, depreciation and amortization expense. For details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations- Our Results of Operations*” on page 338 of this Letter of Offer. We cannot assure you that our profitability will not be impacted by such reasons in the future.

9. *We have significant working capital requirements, including for our Subsidiaries. Any failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.*

Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, and have in the past resulted, in increases in the amount of our receivables and may result in increases in any future short-term borrowings. We may require additional capital due to operating losses or future growth and development of our business, including any investments or acquisitions we may decide to pursue. Set out below are the details of working capital requirements of our Company on a standalone and consolidated basis for the Financial Years ended 2023 and 2022 and Financial Period ended March 31, 2021:

(In ₹ crores)			
Particulars	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
On a consolidated basis	3,113.66	2,435.02	1,729.45
On a standalone basis	1,432.33	1200.26	461.03

The financial ratios for the Financial Year 2023, Financial Year 2022 and Financial Period 2021 maintained by our Company on a consolidated basis have been set out below:

Sr. No.	Particulars	Numerator	Denominator	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
1.	Current ratio	Current assets	Current liabilities	1.26	1.34	1.47
2.	Debt equity ratio	Total debt	Total equity	0.81	0.60	0.52
3.	Debt service coverage ratio	Profit before interest, tax and exceptional items	Interest expense on long term debt and principal repayment of long term debt	0.24	2.02	0.64
4.	Return on equity	Net profit after tax	Average shareholders equity	(2.8)%	6.1%	14.9%
5.	Inventory turnover ratio	Cost of goods sold	Average inventory	207.27	195.12	235.14
6.	Trade receivables turnover ratio	Sales of products and services	Average trade receivable	93.77	95.36	98.71
7.	Trade payables turnover ratio	Total purchases	Average trade payables	148.09	139.35	163.18
8.	Net capital turnover ratio	Sales of products and services	Working capital	2.24	2.64	3.63
9.	Net profit ratio	Profit after tax before exceptional items	Revenue from operations	(1.9)%	6.1%	13.1%
10.	Return on capital employed	Earnings before interest and taxes	Capital employed	2.9%	10.4%	20.8%
11.	Return on investment	Income generated from investments	Closing investment	39.5%	41.8%	101.5%

For details on the reconciliation of non-GAAP measure, see “*Other Financial Information*” on page 318.

In addition, incurring indebtedness would subject us to debt service obligations and could result in operating and financing covenants that would restrict our operations. While we have obtained the consent(s) and intimated the relevant lenders and trustees for this Issue, some of our agreements require us to take consent from our lenders for undertaking various actions, including, (a) for any amendments to our Memorandum or Articles of Association, (b) any change in the ownership/ control/ management, (c) entering into any schemes of mergers, amalgamations, or reconstruction; (d) permit any change in general nature of business of our Company, and (e) undertaking guarantee obligations that exceed certain specified amounts. Some of our loan agreements also require us to maintain certain periodic financial ratios. Non-compliance with such covenants could result in penal interest being charged or trigger events of default under the relevant financing agreements.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, limits, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. The table below sets forth our working capital turnover ratio for the Financial Years ended March 31, 2023, March 31, 2022 and the Financial Period ended March 31, 2021:

Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021*
Net Working capital turnover ratio**	2.24	2.64	3.63

* 12 months and 28 days, Annualised accordingly.

** For reconciliation of Non-GAAP measures, please see “*Other Financial Information – Reconciliation of Non-GAAP Measures*” on page 318.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

Additionally, our borrowing costs and our access to capital and loan markets depend on our credit ratings. These ratings are assigned by rating agencies, which may downgrade or withdraw their ratings or place us on “credit watch” with negative implications at any time.

Set out below are the credit ratings availed by our Company from CARE Ratings Limited during the Financial Year 2023 and 2022 and the Financial Period ended March 31, 2021:

Sr. No.	Name of the Instrument	Type	Amount Outstanding (In ₹ crore)	Current Rating	Rating Assigned in Financial Year 2022-2023	Rating Assigned in Financial Year 2021-2022	Rating Assigned in Financial Year 2020-2021
1.	Commercial Paper	Short term	200.00	CARE A1+	CARE A1+	CARE A1+	CARE A1+
2.	Non-Convertible Debentures	Long term	750.00	CARE AA-; Stable	CARE AA-; Stable	CARE AA-; Stable	-
3.	Fund-based/ non-fund based facilities	Long term/ short term	900.00	Care AA-; Stable/ CARE A1+	CARE AA-; Stable / CARE A1+	Care AA-; Stable/ CARE A1+	-
4.	Fund based – Long Term – Term Loan	Long term	550.00	CARE AA-; Stable	CARE AA-; Stable	-	-

A reduction in our credit ratings could increase our borrowing costs and limit our access to the capital and loan markets. This, in turn, could reduce our earnings and adversely affect our liquidity. For instance, in Financial Year 2023, our ratings for non-convertible debentures and fund-based facilities were downgraded from ‘CARE AA-’ to ‘CARE AA-’. Any such further downgrade in our credit ratings in the future may also trigger an event of default or acceleration of certain of our current or future borrowings.

10. *We derive a significant portion of our revenue from one of our products, namely Sevoflurane. If sales volume or price of such product declines in the future, or if we are unable to sell such product for any reason, our business, financial condition, cash flows and results of operations could be adversely affected.*

Apart from one of our products, namely Sevoflurane, which contributed ₹1,075.90 crore, ₹828.73 crore and ₹657.30 crore towards our revenue from operations representing 15.19%, 12.63% and 10.41%, respectively of our total revenue from operations for the Financial Year 2023, the Financial Year 2022 and Financial Period ended March 31, 2021, respectively, no other single product sold by our Company contributes to more than 6% of our revenue from operations. If the sales volume or pricing of this product declines in the future due to any reason, such as shortage in the supply of raw materials, disruption in the manufacturing process, decrease in consumer demand; or if this product may no longer be sold due to withdrawal or cancellation of applicable regulatory approvals, etc. our business, financial condition, cash flows and results of operations could be adversely affected.

11. *Our international operations, primarily in North American and European markets, expose us to complex management, legal, statutory, regulatory, tax, political, fiscal, and economic risks which could adversely affect our business, results of operations and financial condition.*

We operate in the United States, Europe, India, Japan, South Africa, Indonesia, among other locations. The following table sets forth the geographical split of our revenue from operations as a percentage of our total revenue from operations for the Financial Period 2021, Financial Year 2022 and the Financial year 2023:

Area	Financial Period ended March 31, 2021		Financial Year ended March 31, 2022		Financial Year ended March 31, 2023	
	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)
North America	2,841.92	45.00	2,771.30	42.25	3,169.56	44.76
Europe	1,709.74	27.07	1,501.46	22.89	1,440.55	20.34
India	882.66	13.98	1,225.54	18.68	1,444.49	20.40
Japan	300.53	4.76	274.04	4.18	271.68	3.84
Others	580.05	9.19	786.76	12.00	755.28	10.66
Total	6,314.90	100.00	6,559.10	100.00	7,081.55	100.00

As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations on an international scale. The local country statutory and regulatory requirements, accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to change. The degree of uncertainty in tax laws and other regulations, combined with penalties for default and a risk of action by various government or tax authorities coupled with political and credit risks, may result in notices, fines and increased cost of compliance. Further, we may also incur foreign exchange related losses since we transact our business in several currencies. For further details of risks associated with foreign exchange earnings, see “– 20. We are subject to risks

arising from exchange rate fluctuations” on page 32. Any of the above may result in an adverse effect on our business and financial condition.

As indicated above, our primary markets outside India include the US and Europe and our operations are diverse in terms of geography and product portfolio, with revenue from operations outside India representing 79.60% and 81.32% of our total revenue from operations, in Financial Year 2023 and 2022, respectively. Consequently, we are exposed to any volatility and risks in these markets, such as macro-economic risk of slowdown of macro-economic growth due to tightening liquidity and rising interest rates, economic or political pressures in these regions, including those arising from local market disruptions or currency crises, regulatory risks, natural calamities and inflationary pressures such as wage inflation, etc.

If we do not effectively manage our international operations, it may affect our profitability from such countries, which may adversely affect our business, results of operations and financial condition. Further, we make investments in our subsidiaries located overseas from time to time which is subject to applicable laws and regulations in India and foreign jurisdictions.

12. Each of our business is competitive, which creates pricing pressures for us to retain existing customers and solicit new business, and to compete effectively.

We operate through a three-pronged business model of CDMO, complex hospital generics and India consumer healthcare and each of these businesses are competitive. The following table sets forth the revenue break-up for our CDMO, complex hospital generics and India consumer healthcare for Financial Year 2023, Financial Year 2022 and Financial Period 2021:

Business	Financial Year ended March 31, 2023		Financial Year ended March 31, 2022		Financial Period ended March 31, 2021	
	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)
CDMO	4,015.81	56.71	3,750.35	57.18	3,870.54	61.29
CHG	2,285.87	32.28	2,002.11	30.52	1,923.63	30.46
ICH	858.77	12.13	806.06	12.29	554.80	8.79
Others*	(78.90)	(1.12)	0.58	0.01	(34.07)	(0.54)
Total	7,081.55	100.00	6,559.10	100.00	6,314.90	100.00

* Includes foreign exchange gains/ (losses) which are not directly attributable to any individual business vertical of our Company.

In the pharmaceuticals and consumer healthcare sectors, our products and services face competition from products and services commercialized or under development by competitors. We compete with local companies in India, multi-national corporations and companies in the countries in which we operate. If our competitors gain significant market share, particularly in the areas and products in which we are focused, or succeed in developing products that are more effective, more popular or cheaper than any we may develop, it may render our products obsolete or uncompetitive and our business, results of operations and financial condition could be adversely affected. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Further our inability to take price adequate increases to combat the inflationary trends due competitive pressures may impact our profitability. Furthermore, we face competition from manufacturers of patented brand products who are able to sell generic versions of their products to the market directly or by acquiring or forming strategic alliances with our competitors or by granting them rights to sell. If the authorities in India or in other jurisdictions grant compulsory licensing for any of the pharmaceutical products we sell, this may result in an increase in generic competition and, in turn, a significant and rapid reduction in net sales for such products as generic versions are generally offered at sharply lower prices which will have an adverse effect on our business, financial condition, cash flows and results of operations. For details, “- 73. Compulsory licensing by the Indian Patent Office or by the patent offices in those jurisdictions where we distribute our products could have an adverse effect on our business, financial condition, cash flows and results of operations” on page 50.

We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material, which may adversely affect our business, financial condition and results of operations. The entry of new competitors into the pharmaceutical industry may also further dilute our market share and affect our profitability.

13. Acquisitions, strategic alliances and investments could be difficult to integrate, which may disrupt our business, and adversely affect our results of operations.

As part of the growth strategy of our core businesses, we seek to rely on inorganic growth and intend to continue to evaluate potential acquisition opportunities. We have, in the past, evaluated and executed acquisitions in India and

abroad. Acquiring companies or assets based out of India involves risks, including those related to integrations of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Additionally, the anticipated benefit of many of our future acquisitions may not materialize. If we are unsuccessful in integrating an acquired company or asset, our business, financial condition and results of operations may be adversely affected. The following table sets forth the details of acquisitions made by our Company since incorporation:

Sr. No.	Date of Acquisition	Entity	Details
1.	June 22, 2021	HPPL	Acquired 100% of the paid-up equity share capital
2.	December 20, 2021 and April 4, 2022	Yapan Bio, an India based CDMO providing process development and manufacturing services for large molecules	27.78% and 5.5% of the paid-up equity share capital acquired on December 20, 2021 and April 4, 2022, respectively
3.	February 24, 2021	CCPL	Acquired remaining 49% of the paid up equity share capital in CCPL, which was our joint venture for the Speciality Fluorochemicals Plant (Dahej, Gujarat)

Identifying suitable acquisition opportunities can be difficult, time consuming and costly. Our inability to identify suitable acquisition opportunities, reach agreements with such parties or obtain the financing necessary to make such acquisitions in time or at all could adversely affect our future growth.

We may continue to evaluate and consider additional strategic investments and acquisitions which are complementary to our business. Investments or acquisitions involve numerous risks which may also divert the management's time and resources from our normal operations and we may have to incur unexpected liabilities or expenses. We face additional risks in connection with acquisitions, including that:

- it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may result in our inability to carry forward accumulated tax losses, among others;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel, or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses, and distract our management;
- unavailability of favourable financing for future acquisitions, due to factors such as a negative impact on credit rating;
- inability to maintain the key business relationships and the reputations of acquired businesses.

There is no assurance that any company or business acquired by us in the future will not be or will not result in non-compliance of laws and regulations, the occurrence of which may result in our business, financial condition and results of operations being adversely affected. Further, the occurrence of any of these foregoing risks could have an adverse effect on our business, financial condition, and results of operations.

14. Certain of our products are subject to restrictions on pricing imposed by the regulatory authorities in India and abroad which may impact our ability to earn higher profits, as a result of which our business, financial condition, and results of operations may be adversely affected.

There may be uncertainty relating to pricing of certain of our products owing to the restrictions imposed which vary widely from country to country. The regulations applicable to our existing and future products may also change. Any change in the regulation, enforcement procedures or regulatory policies set by the regulators in India or other regulators such as USFDA could impact our ability to earn higher profits on our products and we may not be able to pass on the increased costs of our products to our consumers. For instance, in India, the prices of certain drugs are regulated with drugs which are under the National List of Essential Medicines ("NLEM") i.e. the drugs which are listed under the NLEM are sold below a price ceiling fixed by the National Pharmaceutical Pricing Authority. Further, on certain of the drugs used by us which are outside the ambit of NLEM, we cannot take more than 10% price increase every year. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted, may have on our business in the future.

15. *Our Company proposes to repay and/or prepay, in full or in part, certain borrowings of our Company out of the Net Proceeds, majority of which were availed by our Company for meeting the short-term working capital requirements.*

Our Company, in the ordinary course of business, enters into and has entered into various financing arrangements, including, term loans, working capital loans and listed and unlisted non-convertible debentures. The working capital loans availed by our Company are typically short term in nature and are repaid within a period of three to six months from the date of avail. Further, majority of the borrowings availed by our Company are short term in nature and are utilised for meeting the working capital requirements of our Company. Additionally, while our Company considers various factors for identifying the borrowings which are proposed to be repaid and/or prepaid such as the costs, expenses and charges related to the borrowings and terms and conditions of such borrowings, the majority of the Net Proceeds are proposed to be utilised by our Company for repayment or prepayment, in full or in part, of short term working capital loans availed by our Company. Certain loans that we are proposing to prepay from our Net Proceeds are subject to prepayment penalties of 1% on the outstanding loan amount of such loans. For further details, please see “Objects of the Issue - Repayment or prepayment, in full or in part, of certain borrowings availed by our Company” on page 71.

In addition, incurring indebtedness would subject us to debt service obligations and could result in operating and financing covenants that would restrict our operations. While we have obtained the consent(s) and intimated the relevant lenders and trustees for this Issue, some of our agreements require us to take consent from our lenders for undertaking various actions, including, (a) for any amendments to our Memorandum or Articles of Association, (b) any change in the ownership/ control/ management, (c) entering into any schemes of mergers, amalgamations, or reconstruction; (d) permit any change in general nature of business of our Company, and (e) undertaking guarantee obligations that exceed certain specified amounts. Some of our loan agreements also require us to maintain certain periodic financial ratios. Non-compliance with such covenants could result in penal interest being charged or trigger events of default under the relevant financing agreements.

16. *Failure to meet various quality standards and good manufacturing practices may result in increased product liabilities claims and associates risks of litigation that could expose us to material liabilities, loss in revenues and increased expenses and thus may have a material adverse effect on our business and financial condition.*

We are required to meet various quality standards and specifications for our customers under our supply contracts and quality agreements entered into with our customers, including adhering to various good manufacturing practices in the global market and conditions imposed under statutory or regulatory approvals as well as quality certifications in accordance with the marketing authorisations and the applicable regulatory framework of the respective jurisdiction. For instance, our development and manufacturing site located at Digwal has obtained ISO certification 14001:2015, 45001:2018 and 9001:2015 for developing, purchasing, manufacturing, marketing and dispatching of drug products, API, intermediates and formulations. Further, our facility located at Ahmedabad PPDS holds ISO certifications 45001:2018 and 14001:2015 for formulation development and clinical manufacturing of solid oral dosage forms, analytical testing and stability studies. For details, see “Our Business – Quality Control and Standards” on page 150. An inability to comply with these standards may subject us to increased liability through product recalls, contractual fines, or regulatory sanctions.

We have previously recalled products due to quality issues and changes in regulatory requirements and we may in the future proactively take corrective measures such as voluntary recalls and withdrawals of our products based on internal investigations of our development and manufacturing facilities or our processes. For instance, in the past, we have voluntarily recalled two of our products under our CHG business for reasons such as the lack of the mandatory warning on certain batches of the product, and deficiency in line clearance at the contract manufacturing site. Our Company incurred the expenses of USD 125,370 to write-off the inventory and issue return credits to affected customers. To prevent such situations, we have undertaken various corrective measures, including, tightening the inspection level, updating the line clearance procedures, imparting training to our employees, and updating the procedure for keeping products on hold. Our customer contracts may also require us to replace or provide credit in exchange for products that have expired and are returned by our customers within a stipulated period.

17. *Our inability to successfully implement our expansion and growth strategies could have an adverse effect on our business, financial condition, cashflows and results of operations.*

We are continuously expanding our business operations and have experienced growth over the last few years. The following table sets out our Company’s total revenue from operations, EBITDA, PAT and PAT Margin for the Financial Period 2021, Financial Year 2022 the Financial Year 2023:

Particulars	Financial Period ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023
Revenue from operations ⁽¹⁾	6,314.90	6,559.10	7,081.55
EBITDA ⁽²⁾⁽³⁾	1,592.07	1,225.46	853.35
Net profit/ (loss) after tax	835.03	375.96	(186.46)
Net profit/ (loss) margin	13.22%	5.73%	(2.63)%

1. In addition to the revenue from operations from the CDMO, CHG and ICH business, the total revenue from operations also includes foreign exchange gains/ losses
2. EBITDA: Aggregate of profit before share of net profit of associate and joint ventures, exceptional items and tax, finance cost and depreciation and amortisation for the year/ period
3. For reconciliation of Non-GAAP measures, please see "Other Financial Information" on page 318.

We cannot assure you that we will be able to maintain our historical growth rates or our market position. Such growth requires us to manage complexities across all aspects of our business, including those associated with increased headcount, integration of acquisitions, expansion of manufacturing and R&D facilities, execution on new lines of business and implementations of appropriate systems and controls to grow the business. Some of the material expansions undertaken by our Company in the past are:

1. capacity expansion for high potency API at the facility in Riverview, US;
2. expansion of existing building and the antibody-drug conjugate capabilities at the facility in Grangemouth, UK;
3. expansion of capacity at our peptide facility in Turbhe, India;
4. new in-vitro lab at the Ahmedabad PDS facility in India;
5. In the CHG business, our Company is also expanding capacities at Digwal and Dahej in India to address the growing demand of inhalation anaesthesia in US and non-US markets;
6. capacity expansion at our Bethlehem facility; and
7. creation of new production block at Pithampur development and manufacturing facility.

Our current growth strategies include, among others, to increase our current market presence and enter new markets and geographies. For details, see "Our Business - Our Strategies" on page 141.

As on March 31, 2023, we had a total of 6,295 employees and 2,078 contract labourers. We may face challenges developing, integrating, managing and motivating our growing headcount and increasingly dispersed employee base associated with our growth, and if we are unable to maintain and grow our pool of R&D talent, including scientists, engineers and laboratory personnel, we would not be able to innovate and grow our portfolio of products. In addition, the enhancement and construction of new manufacturing and R&D infrastructure are subject to certain risks including those associated with, among other things, shortages and late delivery of building materials and facility equipment resulting in delays or cost overruns, keeping up with latest technology and processes, delays or failure in securing the necessary government and other regulatory approvals, and insufficient demand for our products resulting in under-utilization of our expanded and new development and manufacturing units. During the Financial Year ended March 31, 2023, March 31, 2022 and the Financial Period ended March 31, 2021, we had spent ₹86.36 crore, ₹128.34 crore and ₹99.08 crore respectively, which was charged to profit and loss statement on account of R&D. For details on the expansion undertaken by our Company in manufacturing and R&D infrastructure in the past, see "Our Business - Our Strengths - Extensive track record of Organic and Inorganic Expansions" on page 140.

Our continued growth requires significant time and attention from our management, and may place strains on our operational systems and processes, financial systems and internal controls and other aspects of our business. We cannot assure you that we will be able to successfully implement our business expansion plans and growth strategies. If any of the risks associated with such expansion and growth were to materialize, our business, financial condition, cash flows and results of operations may be adversely affected.

18. We have a limited operating history, which may make it difficult for you to evaluate our past performance and future prospects.

While the pharmaceutical business of our Company was originally a part of the Piramal group, which has a significant experience in pharmaceutical business, we were incorporated in March 2020 to simplify the Piramal group structure and to consolidate the pharmaceutical business into one entity. The Scheme was entered into between PEL, our Company, CCPL, HPPL, PFPL and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act. The Scheme was approved by our Board pursuant to its resolution dated October 7, 2021. Pursuant to an order dated August 12, 2022, passed by the National Company Law Tribunal, Mumbai bench ("NCLT"), the Scheme was sanctioned. The appointed date of the Scheme was April 1, 2022. For further details of the Scheme, see "Composite Scheme of Arrangement" on page 65. Further, Equity Shares of our Company pursuant to the Scheme were listed on the Stock Exchanges with effect from October 19, 2022. Therefore, we have a limited operating history as a separate listed entity. Our limited operating history may impact our ability to implement our growth strategies and may make it difficult for you to evaluate our past performance and future prospects in connection with any investment in the Equity Shares. Prospective investors should accordingly consider our future prospects in light of the risks and the challenges encountered by a company with a limited operating

history. Our limited operating history as a company makes it difficult to predict our future prospects and financial performance.

19. ***We were incorporated on March 4, 2020 and have therefore included financial information as of and for three fiscal years i.e. Financial Period ended March 31, 2021 and the Financial Year ended 2022 and 2023, respectively in this Letter of Offer.***

The Financial Period ended March 31, 2021 for the financials results of our Company is the period starting from the date of incorporation i.e. March 4, 2020 till March 31, 2021. Therefore, the financial results for Financial Period ended March 31, 2021 are not directly comparable with the financial results of 12 months period from April 1, 2021 till March 31, 2022. Investors are accordingly advised to do their own analysis of our Company, our financial results and business operations.

20. ***We are subject to risks arising from exchange rate fluctuations.***

Although our reporting currency is Indian Rupees, we transact a portion of our business in several other currencies, primarily in U.S. dollars. The table below sets forth the details of our revenue from operations outside India for the Financial Year 2023 and 2022 and Financial Period ended March 31, 2021, respectively as a percentage of total revenue during these periods:

(In ₹ crore, except % data)

Particulars	Financial Year ended March 31, 2023	% of total revenue	Financial Year ended March 31, 2022	% of total revenue	Financial Period ended March 31, 2021	% of total revenue
Revenue from operations outside India	5,637.06	79.60	5,333.55	81.32	5,432.24	86.02

Additionally, we also procure a portion of our raw materials from outside India and, as a result, incur such costs in currencies other than the Indian Rupee. Further, we may be required to incur non-Rupee indebtedness in the form of external commercial borrowings and other foreign currency denominated borrowings, which may create foreign currency exposure in respect of our cash flows and ability to service such debt. As of March 31, 2023, our overseas Subsidiaries had taken secured loans in foreign currencies from banks amounting to ₹3,877.48 crore. We are, therefore, exposed to exchange rate fluctuations due to the revenue that we receive, the raw materials that we purchase and our financing arrangements that are denominated in currencies other than the Indian Rupee. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, cash flows and results of operations. The following table sets forth the details of our foreign currency outflows for the Financial Years 2023 and 2022 and Financial Period ended March 31, 2021, on a standalone basis:

(In ₹ crore, except % data)

Particulars	Financial Year ended March 31, 2023	% of total revenue	Financial Year ended March 31, 2022	% of total revenue	Financial Period ended March 31, 2021	% of total revenue
Outflow in foreign currency	673.35	9.51	556.66	8.49	547.71	8.67

Further, the following table sets forth the financial impact on our Company due to international exposure and risks associated with foreign exchange earnings and non-hedging of such revenues:

(in ₹ crore)

Foreign exchange impact	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
Foreign exchange gain/ (loss)	110.77	16.86	61.27

We closely monitor our exposure to foreign currencies predominantly through natural hedge. We may selectively enter into plain vanilla forward derivative contracts to hedge our exposure to movements in foreign exchange rates. However, these activities may not be sufficient to protect us against incurring potential foreign exchange related losses, which could adversely affect our results of operation, liquidity and financial condition.

21. ***Our business operations are being conducted on leased as well as certain owned premises. Our inability to seek renewal or extension of leases or defend any adverse claims on our owned premises may adversely affect our business operations.***

We operate through our manufacturing facilities which are located on land leased from the government authorities as well as the land owned by our Company and/or its Subsidiaries. The term of lease of our manufacturing facilities located in India ranges from three to 99 years. For further details, see “Our Business - Property” on page 153. Further,


our Ahmedabad PPDS and PDS development and manufacturing facilities are located on the SEZ land and are therefore governed by the provisions of the Special Economic Zones Act, 2005 and the rules framed thereunder. In terms of the lease agreements, our Company is required to pay, among others, the maintenance charges, utility charges and comply with the relevant state specific laws and regulations. While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our business operations. Further, there are certain land disputes in relation to the land underlying our development and manufacturing facilities. For instance, certain of the erstwhile co-owners (“**Petitioners**”) of certain land parcels forming part of our development and manufacturing facility located at Digwal, Telangana, have filed a suit for partition and separate possession of shares in the disputed land alleging that the other co-owners of the land (“**Sellers**”) have sold the land to PEL, without the consent of the Petitioners. The Petitioners have further alleged that the land belongs to a hindu undivided family of which the Petitioners and the Sellers are members, and therefore, have equal rights in their respective shares of the disputed land and the sale deeds executed between the Sellers and PEL should be declared as null and void. Our Company acquired the land from PEL pursuant to the business transfer agreement dated June 26, 2020 and is therefore, a party to this dispute. We cannot assure if we will receive a favourable outcome in the matter. In relation to our facilities abroad, certain customary documents such as current title insurance policies and zoning plans are not available and therefore, we are unable to ascertain any risks which may be associated with respect to our ownership of the Bethlehem facility.

Any adverse impact on the title and ownership rights of the owners from whose premises we operate, breach of the contractual terms of any lease deeds, or any inability to renew such agreements on acceptable terms may also affect our business operations. In addition, the terms of certain of our leases require us to obtain the lessor’s prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future.

22. *If we are unable to protect our intellectual property and proprietary information, or if we inadvertently infringe the intellectual property rights of others, our business, financial condition, cash flows and results of operations may be adversely affected.*

As on the date of this Letter of Offer, we, along with our Subsidiaries, own 987 registered trademarks (including in-



licensed trademarks), and our logo,  is owned by Piramal Corporate Services Limited which has been licensed to our Company for a period of 10 years starting from October 6, 2020. Further, as on the date of this Letter of Offer, we have a total of 47 patent applications that have been granted and 10 registered copyrights and 14 registered designs. For details, see “*Our Business – Intellectual Property*” on page 152. We have certain trademark, patent and designs applications pending, any of which may be subject to governmental or third-party objection, which could prevent the maintenance or issuance of the same. Further, certain of our trademark applications have been rejected in the past such as our trademark ‘STEP UP YOUR CHILD’, ‘Activ4ever’, ‘SMARTEST - SIGHT, MOTOR, AUDITORY, REASONING, TALKING, EMOTIONAL, SOCIAL, THINKING CREATIVE’ due to lack of distinctive characters of these trademarks. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. Certain proprietary knowledge may be leaked, either inadvertently or willfully, at various stages of the production process.

Moreover, our existing trademarks may expire, and there can be no assurance that we be able to renew them after expiry. We also rely on certain patents to protect our proprietary intellectual property. As on the date of this Letter of Offer, (i) we had filed 48 patent applications of which 18 had been granted and 30 were pending registration in India. One of our process patents registered in Japan and held by one of our Material Subsidiaries, Piramal Critical Care, Inc., will expire by April 18, 2026; (ii) our one design application was pending registration. The process of seeking patent protection can be lengthy and expensive, and our patent applications may fail to result in patents being granted, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that our pending patent applications will result in grant of patents, that patents issued to or licensed by us or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our proprietary processes or to provide us with any competitive advantage. Any inability to protect or renew our trademarks, patents or other existing proprietary information could adversely affect our business. For further details, please see “-11. *Our international operations, primarily in North American and European markets, expose us to complex management, legal, statutory, regulatory, tax, political, fiscal and economic risks which could adversely affect our business, results of operations and financial condition*” on page 27.

Unless our trademarks are registered, we may only get passing off relief for our trademarks, if used by others, which could materially and adversely affect our brand image, goodwill and business. Similarly, in case our patents are rejected, our competitors may start marketing the products resulting in us losing out on market share and first mover

protection, which could adversely affect our competitive position, business, financial condition and profitability. If we are unable to obtain and maintain patent protection for our current or any future products, or if the scope of the patent protection obtained is not sufficiently broad, we may not be able to compete effectively in our markets.

Additionally, we have entered into certain confidentiality agreements with third parties for sharing of information relating to (A) product manufacturing, analytical validation and stability studies; (B) exploring opportunities for potential business relationship referring to the finished products portfolio; and (C) trazodone hydrochloride research information and data. While these agreements are binding on the parties with whom our Company has entered into these agreements, we cannot assure you that the confidential information will not be further disseminated to our competitors which could impact our business operations and financial operations in the future.

23. *Certain of our promoter group companies are subject to regulatory inspections and subjected to adverse actions and observations by regulatory authorities.*

Some of our promoter group entities, are registered with various regulators like Reserve Bank of India and Securities and Exchange Board of India under various capacities and are required to comply with extensive laws and regulations in India prescribed by regulators. The regulatory authorities, in the ordinary course of business, undertakes inspections of such entities for the purposes, among others, to ensure that books and accounts are maintained in the prescribed manner and to investigate into the complaints received from investors or any other person on any matter having a bearing on the activities of such entities. For instance, RBI had raised certain supervisory concerns on the business operations of PHL Fininvest Private Limited for Financial Year 2021. PHL Fininvest Private Limited has since then surrendered its NBFC License and is no longer in existence. RBI had also undertaken a select scope inspection of India Resurgence ARC for Financial Year 2022. If a regulator initiates any action against any of our promoter group entities registered with them or its promoters or directors in the future, it could have an adverse effect on our reputation, business and financial condition.

24. *An erstwhile director of certain of our group companies is subject to an investigation by SEBI for alleged insider trading activities.*

SEBI has issued show cause notices against Mr. Khushru Jijina, a former employee and director of Piramal Capital and Housing Finance limited and Piramal Enterprises Limited (PEL), (“Noticee”) and his wife over certain alleged insider trading activities undertaken by the Noticee in relation to shares of PEL. While the Noticee, his wife and their limited liability partnership firm where they are designated partners, are not the promoter, directors or group companies, as applicable of our Company and our Company is not connected with the Noticee and his wife in any manner, any adverse judgment against the Noticee could impact our reputation.

25. *Some of our Directors and our Promoter are on the board of companies which are engaged in the same line of business.*

Some of our Directors are also the directors on the board of companies which are engaged in the same line of activity as that of our Company. For instance, Neeraj Bharadwaj is on the board of directors of Viyash Life Sciences Private Limited and Sequent Scientific Limited, Sridhar Gorthi is on the board of directors of Glenmark Pharmaceuticals Limited and Glenmark Lifesciences Limited, Vivek Valsaraj and our Promoter is on the board of directors of Allergan India. Our Company has not entered into any arrangement to mitigate the conflict of interests. Therefore, there may be conflicts of interest in addressing business opportunities and strategies between our Company and such other companies on the board of which certain of our Directors have been appointed. Apart from the names of companies mentioned above, some of our Directors also serve on the board of directors of our Subsidiaries, which are in the same line of business as that of our Company.

26. *We derive a significant portion of our income from our contract development and manufacturing organization (“CDMO”) business. If the sales volume or pricing of such products and services decline in the future, or if we can no longer sell any of our products and services for any reason, our business, financial condition, cash flows and results of operations could be materially adversely affected.*

A significant portion of our income is dependent on our CDMO business. As a result of increased competition, pricing pressures or fluctuation in the demand or supply of these products and services generally, our sales and margins from these products may decline in the future. If the sales volume or pricing of such products declines in the future, our business, financial condition, cash flows and results of operations could be materially adversely affected. The following table sets forth the contribution of our CDMO business to our revenue from operations for the Financial Years ended 2023 and 2022 and Financial Period ended March 31, 2021:

(In ₹ crore, except percentage data)

Particulars	Financial Year ended March 31, 2023	% of total revenue	Financial Year ended March 31, 2022	% of total revenue	Financial Period ended March 31, 2021	% of total revenue
Revenue from CDMO business	4,015.81	56.70	3,750.35	57.18	3,870.54	61.29

Particulars	Financial Year ended March 31, 2023	% of total revenue	Financial Year ended March 31, 2022	% of total revenue	Financial Period ended March 31, 2021	% of total revenue
Revenue from top five customers of CDMO business	990.95	13.99	1,011.02	15.41	1,147.14	18.17

Furthermore, our CDMO business could be negatively impacted by numerous factors, many of which are beyond our control, including development by others of new pharmaceutical products and services that are more effective than ours and changes in the prescribing practices of physicians and manufacturing or supply interruptions. Further, for the Financial Years 2023 and 2022 and Financial Period 2021, ₹1,894.84 crore, ₹1,682.45 crore, ₹1,832.16 crore, respectively or 47.18%, 44.86% and 47.34% of the revenue from our CDMO business is in North America and therefore, any political, economic and civil instability in that region can negatively impact our business, financial conditions and results of operations. The manufacturing process of our products is highly complex, and we may experience problems during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, natural disaster related events or other environmental factors. If we experience any of the abovementioned problems and are unable to sell any of these compounds in the future, our business, financial condition, cash flows and results of operations could be materially adversely affected.

27. *Our business is dependent on the sale of our products to our customers and in key markets, particularly India, North America, Europe and Japan. The loss of such customers or a significant reduction in purchases by such customers in these markets could materially adversely affect our business, cash flows, results of operations and financial condition.*

We are dependent on our key customers having presence in this industry. The following table provides the details of the revenue generated from our top five customers of our business during the Financial Year 2023 and 2022 and Financial Period ended March 31, 2021:

(In ₹ crore, except percentage data)

Particulars	Financial Year ended March 31, 2023	% of total Revenue	Financial Year ended March 31, 2022	% of total Revenue	Financial Period ended March 31, 2021	% of total Revenue
Revenue from top five customers of our business	1,085.73	15.33	1,027.93	15.67	1,147.14	18.17

In addition, the following table sets forth our revenue from operations based on the location of our customers as a percentage of our total revenue from operations for the years/period specified:

Country	Financial Year 2023 (In %)	Financial Year 2022 (In %)	Financial Period ended March 31, 2021 (In %)
North America	44.76	42.25	45.00
India	20.40	18.68	13.98
Europe	20.34	22.89	27.07
Japan	3.84	4.18	4.76
Others	10.66	12.00	9.19

As we are dependent on our key customers and key markets for a significant portion of our sales, the loss of such customers or any disruptions in our business and such markets may materially affect our business, cash flows and results of operations. Further, the volume of sales to our customers may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends and customer preferences, among others, which may result in a decrease in demand or lack of commercial success of products of which we are a major supplier, which could reduce our sales and materially adversely affect our business, cash flows, results of operations and financial condition.

28. *We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.*

Owing to the nature of our business, we are involved, from time to time, in legal proceedings that are incidental to our operations. These include among others, criminal and civil proceedings, tax proceedings, criminal complaints filed by us under the Negotiable Instruments Act, 1881, summon under Prevention of Money Laundering Act, 2002 and notices received under Legal Metrology Act, 2009. These proceedings are pending at different levels of adjudication before various authorities. There can be no assurance on the outcome of legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Promoter and Directors, as on the date of this Letter of Offer is provided below:

Name of entity	Criminal matters	Actions by regulatory or statutory authorities	Civil Matters		Tax Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter during the last five Financial Years	Aggregate amount involved (₹ in crore) *
			Above the materiality threshold	Non-quantifiable but otherwise deemed material			
Company							
By the Company	10	N.A.	Nil	Nil	N.A.	N.A.	0.80
Against the Company	1	11	Nil	Nil	98	N.A.	139.89**
Directors							
By the Directors	Nil	N.A.	Nil	Nil	N.A.	N.A.	Nil
Against the Directors	Nil	2	Nil	Nil	2	N.A.	0.02
Promoter							
By the Promoter	Nil	N.A.	Nil	Nil	N.A.	N.A.	Nil
Against the Promoter	3	Nil	Nil	Nil	1	1***	3.07
Subsidiaries							
By the Subsidiaries	Nil	N.A.	Nil	Nil	N.A.	N.A.	Nil
Against the Subsidiaries	Nil	4	Nil	Nil	16	N.A.	3.47****

* To the extent quantifiable.

**In relation to the show cause notice dated September 28, 2020, issued by the Telangana State Pollution Control Board, we have not included the alleged outstanding amount equivalent to 0.5% of our annual turnover for FY 2016-17, FY 2017-18 and FY 2019-20. For further details, see "Outstanding Litigation and Material Developments- Litigations against our Company- Actions taken by Regulatory or Statutory Authorities" on page 349.

***The order passed by the SEBI was modified by the Securities Appellate Tribunal, Mumbai vide its verdict dated May 15, 2019, and the imposition of penalty was converted into a warning with a further direction that if any such incident occurs in future, it would be open to SEBI to proceed in accordance with law. For further details, see "Outstanding Litigation and Material Developments – Litigation involving our Promoter" on page 352.

****1R = ₹4.63 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited), 1\$ = ₹82.005 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited) and 1EUR = ₹90.82 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited).

Further, in one of the actions taken by regulatory or statutory authorities, the Directorate of Enforcement, Ministry of Finance, Government of India, Hyderabad Zonal Office ("ED") has issued a summon dated June 30, 2023 ("Summon") to our managing director as per sub-sections 2 and 3 of Section 50 of the Prevention of Money Laundering Act, 2002. Pursuant to the Summon, ED has asked the managing director of our Company to appear before the office of ED along with certain documents as mentioned in the Summon. Subsequently, the administrative committee of our Board, vide its resolution dated July 13, 2023, appointed P.M Chandramohan, Vice President – Strategy, as authorized representative of the Company to appear before the ED and the documents requested by the ED in terms of the Summon were submitted on July 21, 2023.

We cannot assure you that any of the outstanding litigation matters will be adjudicated in favour of our Company, Directors, Promoter and Subsidiaries or that no additional liability will arise out of these proceedings.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. If a significant number of these disputes are determined against us and if we are required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition, cash flows and results of operations. For details in relation to the proceedings involving our Company, Subsidiaries, Directors and Promoter, see "Outstanding Litigation and Material Developments" beginning on page 348.

29. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could adversely impact our business, financial condition, cash flows and results of operations.

We experienced increases in certain expenses in order to comply with the prevailing COVID-19 restrictions. The detection of subsequent waves, variants or strains in India and internationally may lead to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations.

The COVID-19 pandemic has affected, and may continue to affect, our business, financial condition, results of operations and cash flows in a number of ways such as:

- disruptions and delays to our supply chain due to third-party suppliers and transportation providers being affected by the COVID-19 pandemic and related restrictions, which led to disruptions in our manufacturing processes and delays in the delivery of our products to customers.
- delay in utilization of funds for capital expenditure;
- delayed site visits by our customers;
- lower number of surgeries;
- increase in certain expenses incurred in complying with the prevailing COVID-19 restrictions, such as purchases of hand sanitizers and masks; and
- decrease in demand for our products due to the decrease in medical procedures.

However, the full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency, impacts our business, financial condition and results of operations will depend on numerous evolving factors that we may not be able to accurately predict or estimate, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees' and suppliers' ability to work, travel or fulfil their obligations to us; any extended period of remote work arrangements; and strains on our or our customers' business continuity plans.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely impact our business, financial condition, operations and cash flows.

30. *Failure by our joint venture partner to perform their obligations or disagreements with such joint venture partner could result in additional financial and performance obligations for our Company, which may adversely affect our business and results of operations.*

If we are unable to successfully manage relationships with our joint venture partner, AbbVie Inc. (formerly known as Allergan Pharmaceuticals (Ireland) Limited), our business and results of operations may be adversely affected. Piramal Enterprises Limited has entered into a joint venture arrangement dated February 21, 1994 read with the addendum dated October 1, 2020, pursuant to which our Company was substituted as a party, for the incorporation of 'Allergan India Private Limited' in which our Company holds 49% of the share capital as on March 31, 2023, which deals with the manufacture, distribution and/or sale of prescription ophthalmic pharmaceutical products and contact lens care products for the distribution, marketing and sale of ophthalmic pharmaceutical products and contact lens care products. If our joint venture partner fails to perform their obligations satisfactorily, or at all, we may be unable to perform our contracted services adequately and in a timely manner, or at all.

Further, the inability of our Company or our joint venture partner to continue to fund or execute a project due to financial or legal difficulties or its inability to bring in investment as stipulated in the joint venture agreement could result in us bearing increased or entire costs incurred for the completion of the project.

Further, we may be more reliant on our joint venture partner in regions where we have limited experience. In some cases, we may not be able to provide the services which our joint venture partners have failed to provide, due to our lack of experience or expertise in certain areas and we may not be successful in finding acceptable substitute partners, in a timely manner or at all. Lack of cooperation from our joint venture partner in connection with the operations of our SPV, may adversely affect the operation of such projects and in turn, our business and results of operations.

31. *We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, financial condition, cash flows and results of operations.*

We are required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals for carrying out our business and for each of our development and manufacturing facilities under various central, state and local governmental rules and regulations in India. A majority of these approvals are granted for a limited duration and require renewal. We cannot assure you that the renewals to such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected. Further, certain of the approvals for our manufacturing facilities are in the name of erstwhile subsidiaries of our Company and our Company is in the process of transferring such licenses in the name of our Company. For details, see “- 1. The industry in which we operate is heavily regulated and our business activities require various approvals, licenses, registrations and permissions. Any change to such regulations or failure or delay in obtaining necessary permits or approvals, or increase in costs to obtain necessary permits or approvals or if such permits or approvals are revoked or not renewed, our business, financial condition, cash flows and results of operations may be adversely affected” on page 18.

Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension

of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses, approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business, cash flows and results of operations.

- 32. *We participate in a competitive tender process for supply to various government agencies, private entities and institutions. We may face an inability to successfully obtain tenders in the future, which would impact our revenues and profitability and the tenders we have successfully obtained may be withdrawn in the future.***

We participate in a competitive tender process for supply to various government agencies, private entities and institutions. Pricing is a key factor in the tender process and we may face challenges in participating in a tender process and having to manage our tender price in light of any internal budgets. For the Financial Year 2023, Financial Year 2022 and Financial Period 2021, 4.75%, 4.4% and 3.0% respectively, of our total revenue was derived from winning tenders. If we are unable to win tenders, our future revenues and profitability may suffer. Additionally, for any reason, if we are disqualified from the tender process by a government agency, we may automatically be disqualified by other central and state government agencies. This may impact our business operations and growth. In addition, such tender processes may be challenged even after contracts have been awarded on grounds including validity of tender conditions, satisfaction of eligibility criteria and representations made in bid documents. While we have policies to guide enhanced supervision of these matters, the occurrence of such instances may result in reputational damage and adversely affect our business, results of operations, financial position and cash flows due to loss of opportunities. Litigation may be necessary to clarify these disputes and protect our brand equity, which could result in incurring additional costs.

- 33. *The availability of counterfeit drugs, such as drugs passed off by others as our products, could result in a material adverse effect on our business, financial condition, cash flows and results of operations.***

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. Such measures include, monitoring products in the market and initiating actions against counterfeiters, each of which entails incurring costs at our end. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

We cannot provide any assurance whether these will be replicated by the manufacturer of the spurious products, and therefore, may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our goodwill, business, financial condition, cash flows and results of operations.

- 34. *Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.***

Our success will depend in part on the extent to which government and health administration authorities, private health insurers and other third-party payers will pay for our products. Increasing expenditures for healthcare has been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and governmental entities are seeking ways to reduce or contain healthcare costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products. For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order (“DPCO”), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority (“NPPA”). If the prices of more of our products are administered or determined by the DPCO or NPPA or other similar authorities outside India, it would have an adverse impact on our profitability.

- 35. *We rely extensively on our internal control and operational support systems, including quality assurance systems, quality control systems, products processing systems and information technology systems, the failure of which could adversely affect our business, financial condition, cash flows and results of operations.***

We depend extensively on the capacity and reliability of the internal controls, quality assurance, quality control, product development and information technology systems supporting our operations. Our systems are subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, payables and inventory or otherwise conduct our normal business operations, which may increase our costs and materially adversely affect our business, cash flows and results of operations. While we have employed certain softwares for tracking the incidents

which take place at development and manufacturing facilities, standard operating procedures for quality and checks and balances for the environmental health and safety and also have standard operating procedures for restoration of back-up and disaster recovery plans, any material weaknesses in the internal controls systems of our pharmaceuticals and consumer business may lead to fraud, inferior products and product quality issues. For instance in May 2020, a ransomware attack had happened on our information technology systems which affected our servers, however, there was no financial impact on our business as the data was restored from the back-up servers.

There can be no assurance that we will not encounter disruptions in our quality assurance systems, quality control systems, products processing systems and information technology systems in the future or these systems will not fail despite having adequate measures in place. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition, cash flows and results of operations.

36. *If we infringe on the patents of others, our business may be adversely affected.*

We operate in an industry which may be subject to patent litigation and counterfeit products, including both litigation by competitors relating to purported infringement of innovative products and processes by generic pharmaceuticals and litigation by competitors or innovator companies to delay the entry of a product into the market. Patent litigation, infringement and allegation of counterfeit products can result in damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay royalties in order to continue to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others.

There can be no assurance that we will not be involved in any patent litigation in the future. In the event that we become involved in any patent litigation, our business, financial condition and results of operations could be adversely affected.

37. *We are dependent on the brand ‘Piramal’ for its continued use. The termination or expiry of our brand license and advisory services agreement or any restriction on usage of ‘Piramal’ brand could have a material adverse effect on our business, financial condition and results of operations.*

We have entered into a brand license and advisory services agreement dated October 6, 2020 read with the amendment agreement dated May 28, 2021, (collectively, the “**Agreement**”) with Piramal Corporate Services Private Limited (“**PCSPL**”) for usage of the “Piramal” brand along with other ancillary trademarks. In terms of the Agreement, PCSPL has agreed to provide certain advisory services to our Company, including, *inter alia*, (i) assistance on financial matters including arranging loans; (ii) evaluating investment alternatives; (iii) assist in promoting the brand of our Company; and (iv) project management related work in consideration of a royalty fee equivalent to 0.75% of the gross revenue of the Financial Year payable bi-annually. For details, see “*Our Business - Intellectual Property*” on page 152. The Agreement has a term of 10 years. However, the Agreement may be renewed from time to time, on such terms and conditions, as agreed between the parties to the Agreement. The Agreement may be terminated by either party for breach of any terms and conditions of the Agreement such as representations and warranties including, *inter alia*, use of the trademarks other than as permitted under the Agreement, claiming rights in the trademarks except as provided in the Agreement and exploitation of the trademarks, except as permitted under the Agreement. In the event we are restricted from using the ‘Piramal’ brand, it could have a material impact on our reputation, goodwill, brand and market share of our products. Further, there can be no assurance that payment of fees or usage restrictions or any early termination of the Agreement would not have any adverse effect on our financial condition and results of operation.

38. *We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.*

Due to the nature of, and the inherent risks in, the agreements and arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. We generally on an average have credit terms of 30 to 90 days with our customers. The industry benchmark for credit terms to customers, specifically, the days sales outstanding ranges from 60.51 days to 84.23 days.* The following table sets forth our trade receivables as a percentage of the total revenue from operations of our Company for the Financial Year ended March 31, 2023, March 31, 2022 and Financial Period ended March 31, 2021:

Particulars	Trade receivables (₹ in crore)	% of total revenue from operations
Financial Year ended March 31, 2023	1,799.34	25.41
Financial Year ended March 31, 2022	1,785.28	27.22
Financial Period ended March 31, 2021	1,574.94	24.94

**Sourced from publicly available data on stock exchange websites.*

There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables.

39. *We are subject to range of safety, labour, health and environment related legislations and any non-compliance may adversely affect our business operations.*

We are subject to a broad range of safety, health, environmental, labour and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals and other aspects of our operations. For example, local laws in India limit the amount of hazardous and pollutant discharge that our development and manufacturing facilities may release into the air and water. The discharge of raw materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance. Complying with, and changes in, these laws and regulations may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. Furthermore, non-compliance with the limits prescribed by the relevant laws and regulations may lead to the suspension of our manufacturing licenses, which will halt production and adversely affect our business operations. For instance, summons dated December 27, 2022, were issued by Employees' Provident Fund Organization ("EPFO") against us levying penal damages of ₹0.11 crore and an interest of ₹0.05 crore for inordinate delays in the remission of the provident fund contribution within the stipulated time period. Subsequently, our Company disputed and requested for a waiver of damages of ₹0.11 crore and is in the process of paying the interest of ₹0.05 crore.

The improper handling or storage of hazardous materials could result in accidents, injure our personnel and damage our property and/or the environment. For example, a fire accident occurred at our manufacturing facility situated in Ennore, Tamil Nadu, in which one of our employees lost his life and five contract workers sustained injuries and in this regard, a criminal complaint has been filed against the manager of our manufacturing facility, Mr. Uday Joshi. Similarly, a show cause notice dated November 8, 2021 was issued to one of our erstwhile directors and one of our employees, alleging non-compliance under the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident of chemical splash that occurred at our development and manufacturing facility located at Digwal, Telangana as a result of which a contract worker sustained eye injuries. Further, a show cause notice dated February 16, 2023 was issued to one of our Directors, Vivek Valsaraj, and one of our employee, alleging non-compliance under the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident of chemical flash fire that occurred at our development and manufacturing facility located at Digwal, Telangana as a result of which two contract workers sustained burn injuries. We are subject to the risk of loss due to fire, accidents and other hazards as our manufacturing and R&D processes and materials are highly flammable and hazardous. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. In addition, we may be required to incur costs to remedy the damage caused, pay fines or incur other penalties for non-compliance. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Directors*" on page 353.

40. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.*

We propose to utilize the Net Proceeds towards (i) repayment/prepayment of all or certain portion certain outstanding borrowings availed by our Company; and (ii) general corporate purposes. As at June 30, 2023, the amount outstanding under various borrowing arrangements of our Company to be fully or partially repaid or prepaid from the Net Proceeds was ₹959.24 crore. Our Company proposes to utilise an estimated amount of ₹859.24 crore from the Net Proceeds towards full or partial repayment or pre-payment of borrowings availed by our Company, as more particularly detailed in "*Objects of the Issue*" on page 70. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control such as the pandemic and interest or exchange rate fluctuations, among others. The deployment of the Net Proceeds will be at the discretion of our Board in accordance with applicable laws and regulations. However, the deployment of the Net Proceeds will be monitored by the Monitoring Agency. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of the Net Proceeds. The utilisation of Net Proceeds will not result in the creation of any tangible assets. For details, see "*Objects of the Issue*" on page 70.

41. Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations.

As of March 31, 2023, we had insured ₹4,912.52 crore of our relevant assets (comprising our tangible assets (except land) and inventory), representing 100.00% of the total assets as of such date, which is in line with the industry practice. The industry benchmark for insurance coverage ranges from ₹543.00 million to ₹29,364.95 million.* Our operations are subject to various risks inherent in the sectors in which we operate, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. Our insurance cover includes, among other things, development and manufacturing units, offices, including buildings, machinery and inventories, consequential damages such as loss of profit, coverage for risks during the shipment of products, public liability coverage, cyber policy, product liability coverage such as in cases of product recalls or health issues arising from the use of our products, workmen compensation, group health policy, group personal accident and group term life insurance for employees. In addition, we also maintain insurance policies covering directors' and officers' liability. We maintain insurance for our operations largely through third party insurers.

**Sourced from publicly available offer documents filed with SEBI.*

We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

We cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of litigation, operational interruptions or repair of the damaged facilities. Although we have not written off any material insurance claim receivables in the Financial Year 2020, Financial Period ended March 31, 2021 and Financial Year 2022 and 2023, we cannot assure you that we will not write off any material insurance claim receivables in the future. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable costs or at all.

42. We may be required to account for an impairment loss with respect to intangibles including goodwill recorded in our consolidated financial statements.

We assess whether the value of our intangibles including goodwill have been impaired on an annual basis. Any impairment of goodwill or other intangible assets as a result of such analysis would result in a non-cash charge against earnings, which could adversely affect our Company's reported results of operations. A significant and sustained decline in future cash flows due to adverse change in the economic environment, slower growth rates, changes in cost of capital or other factors could result in the need to perform additional impairment analysis in the future periods.

43. We face risks relating to our Associates, Allergan India and Yapan Bio that we do not entirely control.

We have made and may continue to make certain capital investments, loans, advances and other commitments to support our Associates, Allergan India and Yapan Bio. These investments and commitments have included capital contributions to enhance the financial condition or liquidity position of our Associates. If the business and operations of these Associates deteriorate, our investments may be required to be written down or written off or further capital injections may be required to be made. In addition, our ability to generate cash from these entities may be more restricted than if such entities were our wholly-owned subsidiaries.

44. We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialises.

As of March 31, 2023, we had the following contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

Particulars		(in ₹crore)
		As at March 31, 2023
A. Contingent liabilities:		
1. Claims against the group not acknowledged as debts:		
Dispute with Telangana Pollution Control Board (TPCB)		11.86
2. Others:		
i. Appeals filed in respect of disputed demands:		
Sales Tax		2.83

Particulars	As at March 31, 2023
Central/ State Excise/ Service Tax/ Customs	39.36
Labour Matters	1.92
ii. Unexpired Letters of Credit	1.35
B. Commitments:	
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	225.34
b. The group has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	23.12

45. *We are dependent upon the experience and skill of our management team and key employees. If we are unable to attract and retain qualified personnel, our results of operations and cash flows may be adversely affected.*

Our business and operations are led by a highly qualified, experienced and capable management team. We are also supported by qualified personnel possessing a range of qualifications including scientific, pharmacy post-graduate and graduate, the loss of whose services may significantly delay or prevent the achievement of our business objectives. Competition among pharmaceutical companies for qualified employees, particularly R&D personnel, is intense and the ability to retain and attract qualified individuals is critical to our success. The following table sets forth below the attrition rate of our employees in the Financial Year ended March 31, 2023 and March 31, 2022 and Financial Period ended March 31, 2021, respectively:

Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
18.33%	18.99%	13.74%

Our success significantly depends upon the continued service of our management and key personnel. If we lose the services of any of the management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and ability to continue to manage and expand our business. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel.

46. *Our Promoter and one of our Directors are party to certain legal proceedings and any adverse outcome in these or other proceedings may lead to reputational risks.*

Our Promoter and Directors may be subject to certain legal proceedings from time to time. For instance, our Promoter is a party in certain criminal proceedings which have been initiated against him. Further, Vivek Valsaraj, an Executive Director and the Chief Financial Officer of our Company, is a party to a regulatory proceeding, which have been initiated against him. For further details, see “*Outstanding Litigation and Material Developments – Litigation involving our Promoter*” and “*Outstanding Litigation and Material Developments – Litigation involving our Directors*” on pages 352 and 353, respectively.

47. *If we fail to keep pace with evolving technological standards in the pharmaceutical industry, create new products or intellectual property, or respond to changes in market demand or customer requirements, our business and financial results could be adversely affected.*

The industry we operate in is characterised by rapid advancements in technology fueled by high expenses incurred on R&D. These advancements result in the frequent introduction of new products and significant price competition. To meet our customers’ needs as well as keep pace with our competitors, we regularly update existing technology and develop new technology for our manufacturing activities. However, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. While we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies and upgrading our development and manufacturing facilities as well as R&D could be significant and higher than initially anticipated and could adversely affect our business, prospects, cash flows, results of operations and financial condition. During the Financial Years ended March 31, 2023 and March 31, 2022 and the Financial Period ended March 31, 2021, we had spent ₹86.36 crore, ₹128.34 crore and ₹99.08 crore, or 1.22%, 1.96% and 1.57% of our revenue, respectively, which was charged to profit and loss statement on account of R&D. In addition, when we develop a new product or an advanced version of an existing product, we may encounter obstacles that may delay development and consequently increase our expenses, and we typically incur significant costs and effort upfront to market, promote and sell the new product offering. The discovery and development approach to develop new products may not always lead to marketable products. Commercialization

involves developing, testing, manufacturing and obtaining the required regulatory approvals for our products, while complying with applicable quality and safety standards. In the pharmaceutical business, the R&D process from initiation to obtaining approval for a drug as well as marketing it, involves significant costs and may involve a significant period of time and is conducted in various stages, resulting in uncertain outcomes. Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues in the short term, or at all.

The commercial success of the products and technologies we develop will depend upon the acceptance of these products by customers and competition in the market. It is difficult for us to predict whether recently introduced products, or the products that we are currently developing, will be commercially successful. For instance, we have in the past launched products – StopAllerG and Lactobacil which were discontinued due to low demand for the products. However, no losses were attributable to such discontinuations. If our new products or enhancements do not achieve adequate acceptance in the market, this may ultimately force us to abandon a potential product in which we have already invested substantial time and resources, and our competitive position will be impaired, our revenue will be diminished and the effect on our operating results may be particularly acute because of the significant research, development, marketing, sales and other expenses we will have incurred in connection with the new product or enhancement.

48. *The pharmaceutical and consumer healthcare industries are intensely competitive and our competitors may have greater financial, manufacturing, R&D, marketing and other resources. If we are unable to respond adequately to the increased competition our market share, revenues and profits could decline.*

The pharmaceutical and consumer healthcare industries are highly competitive with several major pharmaceutical companies present. Our products face intense competition from products commercialized or under development by competitors in pharmaceuticals and consumer healthcare industries. We compete with local companies, multi-national corporations and companies from the rest of the world. The key competitors of our Company include (i) in the CDMO market – Lonza, Catalent, Siegfried and Divi's Laboratories Limited; and (ii) in the ICH market – Abbott India Limited and P&G Health Limited (Source: CRISIL Report).

Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, and broader product ranges. Further, many of our competitors may have more extensive sales and marketing resources than us, which enables them to have better access to hospitals and medical institutions in order to gain market acceptance for their substitute products. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and unable to achieve the desired growth, which in turn may adversely affect our business, financial condition, cash flows and results of operations.

We believe that our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees, the price at which our competitors offer comparable products and the extent of our competitor's responsiveness to customers' needs. Our inability to adequately address competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations.

49. *Current and proposed laws and regulations regarding the protection of personal data could result in increased risks of liability or increased cost to us or could limit our Company's service offerings.*

The confidentiality, collection, use and disclosure of personal data are subject to governmental regulation generally in the country that the personal data were collected or used. For example, United States federal regulations under Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and as amended in 2014 by the Health Information Technology for Economic and Clinical Health ("HITECH") Act, require individuals' written authorization, in addition to any required informed consent, before Protected Health Information ("PHI") may be used for research. Although we receive limited PHI in the conduct of its business and has implemented HIPAA-compliant safeguards to receive and process such data, our Company nonetheless could be subject to significant civil liability for mishandling PHI. In India, the Supreme Court, in a judgment delivered on August 24, 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering the enactment of the Digital Personal Data Protection Bill, 2022 on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the aforesaid bill may introduce stricter data protection norms for a company such as us and may impact our processes.

Moreover, in the EU personal data includes any information that relates to an identified or identifiable natural person, and the explicit consent from an individual is required for collection, use or disclosure of such information. In addition, we are subject to EU rules with respect to cross-border transfers of such data out of the EU. Failure to comply with such rules could subject us to regulatory sanctions, criminal prosecution or civil liability. In March, 2023, the personal data of approximately 490 employees (including former employees) of our Company was compromised at our

development and manufacturing facilities located at Aurora, Lexington, Bethlehem and Morpeth. The matter was investigated and reported to relevant authorities in the respective local jurisdictions by our Company and there was no material impact on the operations at these development and manufacturing facilities. While no action was taken by authorities, we cannot assure you if such incidents in the future would not attract any penalties or liabilities.

We are required to keep confidential certain details of our customers. In the event of any breach or alleged breach of our confidentiality arrangements with our customers, these customers may initiate litigation against us for breach of confidentiality obligations. Moreover, if our customers' confidential information is misappropriated by us or our employees, our customers may seek damages and compensation from us. Claims of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such claims against us are unsuccessful, they may cause reputational harm and substantial cost.

50. *Delay or failure in the performance of our contracts with our customers and distributors may adversely affect our business, financial condition and results of operations.*

Our agreements with our customers and distributors require us to supply our products and services in compliance with specific delivery schedules. We are dependent on our distributors for supply of our products. Under these agreements, we are required to ensure continuous and uninterrupted supply of our products and services. In the event if we have reasons to believe that we will be not be able to supply full quantity of products or services, we are under an obligation to notify the other party. Subsequently, if we are not able to deliver sufficient quantities of the required products or services within the delivery date specified in purchase order, it shall be deemed to be breach of agreement which would result in breach on our part, which will consequently result in cancellation of the purchase order or termination of the agreement. Under some agreements, a penalty in form of damages may be imposed on our Company in case of delay in delivery. Further, we continue to tap alternate distribution channels in order to ensure delivery of our products thereby reducing overall cost. We cannot assure you that we will be able to deliver our products or services on a timely basis, or at all, in the future. Our inability to do so may have the following consequences: (i) cancellation of purchase orders; (ii) breaches of the relevant agreements; and (iii) termination of the relevant agreements by our customers and distributors; and (iv) damage to our reputation. Any of the foregoing may adversely affect our business, financial condition, results of operations.

51. *We have in the past entered into related-party transactions and may continue to do so in the future.*

We have entered into certain transactions with related parties which were at arms' length price and in compliance with applicable provisions of the Companies Act and are likely to continue to do so in the future. For details, see "*Financial Statements – Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 40*" on page 245. Although all related-party transactions that we may enter into are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

52. *Our Statutory Auditors have included an emphasis of matter in the report on our financial statements for Financial Period 2021.*

Our Statutory Auditors have included an emphasis of matter in their report on our financial statements for the Financial Period ended 2021 in relation to the COVID-19 pandemic clarifying that to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian economic indicators and that the actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets. We cannot assure you that our Statutory Auditors' observations for any future financial period will not contain similar remarks, emphasis of matters or other matters prescribed under Companies (Auditor's Report) Order 2020, and that such matters will not otherwise affect our results of operations.

53. *Our operations are labor intensive and we may be subject to strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As at March 31, 2023, we had 6,295 permanent employees. While there have been no instances of strikes, work stoppages or increased wage demands since our incorporation, shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. The following table sets forth below the attrition rate of our permanent employees in the Financial Year ended March 31, 2023 and March 31, 2022 and Financial Period ended March 31, 2021, respectively:

Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
18.33%	18.99%	13.74%

The attrition rate of our permanent employees is mainly due to offer of better compensation and opportunities for better career growth and development. Furthermore, we engage independent contractors through whom we engage contract labor for performance of certain functions at our development and manufacturing facilities as well as at our offices. As of March 31, 2023, we had 2,078 contract labourers. Although we do not engage these laborers directly, we are responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition. Further, our success depends upon the continued service of our contract labourers. If we lose their services, we may be unable to locate suitable replacements, and may incur additional expenses to recruit and train new contract labourers which could adversely affect our business operations and ability to continue to manage and expand our business.

We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

54. *Our business success depends on the strength of our brand, product image and reputation. Any failure to maintain and enhance, or any damage to, our brand, product image or reputation could materially and adversely affect the level of market recognition of, and trust in, our products.*

We consider that our success depends to a significant extent on our brand, product image and reputation. We consider our brand ‘Piramal’ and our brands (i) Gablofen®, Mitigo™, Fentanyl in the CHG business; (ii) Little’s, Lacto Calamine, Tetmosol, Polycrol, I-Pill in our ICH business, to have a strong image, with a reputation for high quality and reliability. If we or those distributors who operate under our brand fail to maintain and enhance, or if there is any damage to, our or our marketing partners’ brand image or reputation, the demand for our products may be materially and adversely affected.

Many factors that are important to maintaining and enhancing our brand, product image and reputation are not entirely within our control, and such factors may materially and adversely affect our brand, product image and reputation. Such factors include, among other things, our ability to continue to:

- effectively control our product quality and effectiveness;
- increase brand recognition among existing and potential customers through various means of marketing and promotional activities; and
- effectively protect our trademarks and trade names.

Furthermore, any negative publicity in relation to our products damage our brand, product image and reputation. It is an inherent business risk that the treatments using our products may lead to undesirable or unexpected outcomes, including complications, injuries and even deaths in extreme cases. Such undesirable or unexpected outcomes may lead to complaints, claims, and/or legal actions against us which may materially and adversely affect our brand, product image and reputation.

55. *We could be adversely affected by violations of anti-bribery laws worldwide.*

The pharmaceutical industry is highly regulated and pharmaceutical companies are subject to various anti-bribery regulations worldwide, and even minor irregularities can potentially give rise to significant consequences. Anti-bribery laws worldwide, especially U.S. Foreign Corrupt Practices Act (the “FCPA”) generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Pharmaceutical companies are particularly at risk of anti-bribery law violations because health care systems in some countries are often owned or operated by government agencies. Therefore, during the course of business activities, interactions with individuals considered to be government officials can be more frequent than in other industries. As a result, there is heightened exposure to potential corruption risk, and over the past few years, a number of pharmaceutical and other healthcare companies have been prosecuted under anti-bribery laws for a variety of activities, such as providing free trips, free goods, grants and other monetary benefits to doctors and hospitals. Our policies mandate compliance with these laws, which often carry substantial penalties. However, our internal control policies and procedures may not always protect us from acts committed by our affiliates, employees or agents which may violate these laws and regulations. Violations of anti-bribery laws and regulations could result in fines and penalties, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business and on our ability to offer our products in one or more countries, and could also materially affect our brand, our international growth efforts, our ability to attract and retain employees, our business, and our operating results.

56. ***Some of our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business, cash flows and results of operations.***

Our development and manufacturing facilities are located in locations in India and abroad. As of March 31, 2023, 554 of our total employees at our development and manufacturing facilities at Pithampur, Turbhe, Digwal and Mahad, were members of labour unions. Accordingly, it may be difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Although we have not experienced any labour unrest or work disruptions in the past, labour unrest or work stoppages or other slowdown at one or more of our development and manufacturing facilities may cause us to experience a significant disruption of our operations and to pay penalties for the late delivery of our products. Labour unrest or strikes associated with our operations could also damage our reputation with customers or in the market generally.

57. ***This Letter of Offer contains information from third parties, including an industry report commissioned and paid for which is exclusively prepared for the purposes of the Issue and issued by CRISIL Limited, which has been used for industry related data in this Letter of Offer. Accordingly, prospective investors are advised not to base their investment decision solely on such information.***

The Letter of Offer includes information that is derived from the CRISIL Report, exclusively prepared and issued by CRISIL for the purposes of the Issue. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have exclusively commissioned and paid for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Issue. CRISIL is not in any manner related to us, our Directors or our Promoter. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL that may prove to be incorrect. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in the Letter of Offer. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Further, we have also included certain statements from IQVIA in relation to our Company's share in certain formulations in the U.S. and certain other markets. For details, see "Our Business – Overview – CHG business" on page 137.

58. ***Our Directors, key managerial personnel and senior management personnel may have interests in our Company in addition to reimbursement of expenses incurred and receipt of remuneration from our Company.***

Our Directors, senior management personnel and key managerial personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their respective shareholding in our Company and as well as to the extent of any dividends or other distributions on the Equity Shares held by them respectively.

59. ***Information relating to the installed manufacturing capacity, actual production and capacity utilization of our development and manufacturing facilities included in this Letter of Offer are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity, actual production and capacity utilization of our development and manufacturing facilities included in this Letter of Offer are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed production capacity, actual production and capacity utilization of our manufacturing facilities.

These assumptions and estimates include expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product, and shift patterns across various sites. Furthermore, capacity utilization of our development and manufacturing facilities has been calculated on the basis of total installed production capacity and actual production as of/ for the relevant periods. For details, see "Our Business – Manufacturing Operations" on page 146.

Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type.

60. ***There has been a delay in the past in relation to the reporting requirements in respect of investment made in one of our Subsidiaries by our Company.***

There has been a delay in Financial Period ended March 31, 2021, with respect to certain reporting the financial commitment by our Company. Our Company delayed the submission of guarantee by a period of 15 days pursuant to which a late fee of ₹18,000 was levied on our Company which was paid by our Company on September 30, 2022, i.e. within the stipulated time period. While we have put in place appropriate framework to ensure such delays are avoided,

we cannot assure you that these mechanisms will be effective and will not adversely impact our business and results of operations.

61. *We do not have certain documents evidencing the biography of one of our Directors.*

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, the brief biographies of our Directors disclosed in “*Our Management*” on page 155 include details of their educational qualifications and work experience. However, one of our Directors, Vibha Paul Rishi, does not have original degree certificate of bachelor’s degree in economics. Therefore, we have relied on an affidavit provided by her to verify the authenticity of such disclosures. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

62. *Our customers/ distributors may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Our customers/ distributors may be located in jurisdictions to which certain OFAC-administered and other sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that the transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Furthermore, investors in the Equity Shares could incur reputational or other risks as a consequence.

63. *We are currently entitled to certain export promotion schemes. Any discontinuation of such export promotion schemes may adversely affect our results of operations, cash flows and financial condition.*

We are currently entitled to ‘Remission of Duties or Taxes on Export Products Scheme’ (“**RODTEP**”) and duty drawback for our DTA exports. In terms of the RODTEP, our Company is entitled to claim refund of embedded central, state/ local duties for the products which are exported by our Company. The duty credit allowed under RODTEP and duty drawback for the DTA exports is subject to realization of proceeds of the sales within the stipulated period prescribed by RBI. For instance, in 2022, our Company had to pay (i) drawback duty of ₹2,540 to the Commissioner of Customs (Export), Air Cargo Complex for non-payment of export proceeds for certain exports conducted from Air Cargo Complex, Mumbai and (ii) differential customs duty of ₹7,00,853 for incorrect classification of goods. Any discontinuation of such schemes may affect our ability to avail credits for the products exported by us and may impact our results of operations, cash flows and financial condition.

64. *Our Company may publish its financial results for the three months ended June 30, 2023 during the Issue Period.*

In terms of the SEBI Listing Regulations, listed companies are required to publish their financial results for each quarter within a period of 45 days from the end of each quarter. Accordingly, to ensure compliance with the requirements of the SEBI Listing Regulations, our Company may publish and submit to the Stock Exchanges, its financial results for the three months ended June 30, 2023 (“**Quarterly Financial Results**”) during the Issue Period. As a result, the Quarterly Financial Results may not be directly comparable and may materially differ from the Restated Consolidated Financial Information included in this Letter of Offer.

EXTERNAL RISK FACTORS

65. *The pharmaceutical and consumer healthcare industries are intensely competitive and if we are not able to compete effectively, it could adversely affect our business and results of operations.*

The pharmaceutical and consumer healthcare industries are highly competitive with several major pharmaceutical companies present. Our products face intense competition from product commercialized or under development by competitors in pharmaceuticals and consumer healthcare industries due to which we may not be able to sustain our market position. If our competitors gain significant market share at our expense, particularly in brands and the therapeutic areas which contribute to a significant portion of our total revenue, our business, financial condition, cash flows and results of operations could be adversely affected.

Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, a broader product range and stronger sales forces. Some competitors may pursue the development of products in-house which may reduce our commercial opportunity. Further, our competitors may succeed in developing products that are more effective, more popular or cheaper than any products we may develop,

which may render our products obsolete or uncompetitive, and unable to achieve the desired growth which in turn may adversely affect our business, financial condition, cash flows and results of operations.

In addition, the prices for our products vary across markets and are typically determined by competitive

and regulatory dynamics unique to each market. Pricing pressure from our customers and competitors may lead to decreases in our revenue from product sales and profit margins. Pricing pressure from customers may present in various forms including, among others, through our competitors lowering their prices for similar products or the companies we engage through distribution and supply agreements. When faced with pricing pressure, pharmaceutical developers and manufacturers like us would generally be required to reduce operating costs in order to maintain profitability. We cannot assure you that we will be able to avoid future pricing pressure from our customers or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes or other cost reductions through other productivity initiatives. In addition, we cannot assure you that we will be able to pass on any increases in operating costs to our customers as we are committed to providing high-quality products at affordable prices. If we were to face pricing pressure from our customers, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition, cash flows and results of operations may be adversely affected.

66. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

The industry in which we operate is continually changing due to technological advances, scientific discoveries and novel chemical processes, along with constant introduction of new and enhanced products. These changes result in the frequent introduction of new products and significant price competition. Although we strive to maintain and upgrade our technologies, facilities and machineries consistent with current international standards, we cannot assure you that we will be able to successfully make timely and cost effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to cater to the specifics of our new products, geographical requirements, marketing needs, our customers' needs or that the technology developed by others will not render our products less competitive or attractive. In addition, the new technologies we adopt from time to time may not perform as expected. The cost of implementing new technologies for our operations could be significant, which could adversely affect our business, financial condition, cash flows and results of operations.

67. *We may be affected by competition law in India and if there is any adverse application or interpretation of the Competition Act, 2002.*

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition ("**AAEC**") in certain markets in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an AAEC is deemed void and attracts substantial penalties.

Furthermore, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void.

If we pursue acquisitions in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

68. *A global slowdown in economic growth or global economic instability, occurrence of pandemic situation could result in an adverse effect on our business, financial condition and results of operations.*

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the GDP growth rate and the economic cycle in India. A slowdown in the Indian economy could adversely affect our business and our customers and contractual counterparties, especially if such a slowdown were to be continued and prolonged. In periods of high rates of inflation, our operating expenses may increase which could have an adverse effect on our cash flows and results of operations.

Further, in light of the increasing linkage of the Indian economy to other global economies, the Indian economy is increasingly influenced by economic developments and volatility in securities markets in other countries. Global slowdown of the financial markets and economies has in the past contributed to weakness in the Indian financial and economic environment. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. These economies could be adversely

affected by various factors, such as political and regulatory changes including adverse changes in liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The global credit markets have continued to experience significant volatility in recent years, which have had, and may continue to have, a significant adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. The resulting economic pressure and dampened consumer sentiment may adversely affect our business and our results of operations.

69. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect the manufacturing industry and the pharmaceutical industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, may adversely affect our future business, prospects, financial condition, cash flows and results of operations.

We cannot predict whether any amendments proposed will have an adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

70. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. India's sovereign rating is Baa3 with a "stable" outlook by Moody's and BBB-with a "stable" outlook (Fitch) in June 2022; and BBB (low) "stable" by DBRS in May 2021. India's sovereign ratings from S&P is BBB-with a "stable" outlook in 2021. Any further adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

71. *Investors may have difficulty enforcing foreign judgments in India against us or our management.*

Our Company is incorporated in India and all its Directors, except Peter Andrew Stevenson and Nathalie Ann Leitch, Key Managerial Personnel and Senior Management Personnel are residents of India, with all assets of our Company located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon our civil liabilities or such Directors and the Chief Executive Officer under laws other than Indian Law.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Code. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice or public policy.

72. *Natural or man-made disasters, fires, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.*

Natural disasters (such flooding and earthquakes), and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our properties and may require us to suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or other countries could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A similar contagious disease such as the COVID-19 pandemic could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

73. *Compulsory licensing by the Indian Patent Office or by the patent offices in those jurisdictions where we distribute our products could have an adverse effect on our business, financial condition, cash flows and results of operations.*

Compulsory licensing refers to when a government allows another manufacturing company to produce the patented product or process without the consent of the patent owner. Our ability to enforce our patents depends on the laws of individual countries and each country's practice with respect to enforcement of intellectual property rights, and the extent to which certain jurisdictions may seek to engage in a policy of routine compulsory licensing of pharmaceutical intellectual property as a result of local political pressure or in the case of national emergencies. In India, under the Patents Act, 1970 ("**Patents Act**") any person, regardless of whether he is the holder of the license of that patent, can make an application to the Controller General of Patents, Designs and Trademarks for the grant of compulsory license on that patent, after the expiration of three years from the date of the grant of the patent. The Patents Act provides for such compulsory licensing under certain circumstances, such as the non-availability of the patented product to the public at affordable prices or inadequate working of the patented product. If the authorities in India or in other jurisdictions grant compulsory licensing for any of the pharmaceutical products we sell, this may result in an increase in generic competition and, in turn, a significant and rapid reduction in net sales for such products as generic versions are generally offered at sharply lower prices. As a result, the grant of a compulsory license may have an adverse effect on our business, financial condition, cash flows and results of operations.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

74. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

75. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

- 76. *Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, including a preferential allotment, or through exercise of employee stock options may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of the Equity Shares by our Promoter or other major shareholders of our Company or a dilution of the post-Issue shareholding of our Promoter, may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

- 77. *Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

Any dividends to be declared and paid in the future are required to be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements and Solvency Ratio requirements. We cannot assure investors that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future consistent with our past practices, or at all. Further, we may be subject to regulatory restrictions which may adversely affect our ability to pay dividends.

- 78. *SEBI has recently streamlined the process of rights offerings. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has been introduced by the SEBI in 2020. Accordingly, the process for such credit of Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI ICDR Master Circular, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall participate in the Issue only in accordance with the applicable laws in their respective jurisdictions. Pursuant to SEBI ICDR Master Circular, the minimum time period between closure of trading of Rights Entitlements on the stock exchange platform and closure of the rights issue to at least three working days. For details, see “*Terms of the Issue*” beginning on page 366.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “LIPL PPL RIGHTS 2023 ESCROW DEMAT ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

- 79. *No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

80. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

81. *Overseas shareholders may not be able to participate in our Company’s future rights offerings or certain other equity issues.*

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company is not offering the rights (including their credit) in this offering to the holders of Equity Shares who have a registered address in the United States. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in this offering or in future rights offerings and may experience a dilution in their holdings as a result.

82. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares. The Finance Act, 2019 has clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor.

Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

83. *The Equity Shares may experience price and volume fluctuations and volatility in the global securities market may cause the price of the Equity Shares issued to decline.*

The price of the Equity Shares may fluctuate as a result of several factors, including volatility in the Indian and global securities markets, movement in exchange rates and interest rates in India, the results of our operations, the performance of our competitors, developments in the Indian housing finance sector and changing perceptions in the market about investments in the Indian housing finance sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India’s economic liberalization and deregulation policies, inclusion or exclusion of our Company in indices, significant developments in India’s fiscal regulations and any other political or economic factors. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence, cause increased volatility in Indian securities markets, and indirectly affect the Indian economy in general causing a decline in the trading price of our Equity Shares for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us.

84. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders’ rights under Indian law may

not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction.

85. *Applicants to the Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in the Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in the Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after the Issue or cause the trading price of our Equity Shares to decline.

86. *Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

87. *The Equity Shares to be allotted may not be credited to your demat account in a timely manner and cannot be traded unless the listing and trading approval is received or at all.*

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date or such other timeline in accordance with applicable law. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

88. *Companies operating in India are subject to a variety of taxes and surcharges.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

89. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, 100% foreign investment under the automatic route is currently permitted in Pharmaceuticals" (Greenfield), subject to the conditions specified in the FDI Policy. Further, up to 74% foreign investment in brownfield projects is

permitted under the automatic route, and foreign investment beyond 74% is permissible through the government approval route.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Additionally, the Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on February 8, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms and conditions of the Issue including the Record Date, Rights Entitlement, Issue Price, timing of the Issue and other related matters have been approved by a resolution passed by the Committee of Directors (Rights Issue) at its meeting held on July 27, 2023.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” beginning on page 366.

Rights Equity Shares being offered by our Company	Up to 12,96,29,630* Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	5 Rights Equity Shares for every 46 Equity Shares held on the Record Date
Record Date	Wednesday, August 2, 2023
Face Value per Equity Share	₹10 each
Issue Price	₹81 per Rights Equity Share (including a premium of ₹71 per Rights Equity Share)
Issue Size	Up to ₹1,050 crore
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	119,33,18,500 Equity Shares. For details, see “ <i>Capital Structure</i> ” beginning on page 62
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	132,29,48,130 Equity Shares
Security Codes for the Equity Shares	ISIN: INE0DK501011 BSE: 543635 NSE: PPLPHARMA
ISIN for Rights Entitlements	INE0DK520011
Terms of the Issue	For further information, see “ <i>Terms of the Issue</i> ” beginning on page 366
Use of Issue Proceeds	For further information, see “ <i>Objects of the Issue</i> ” beginning on page 70

* Assuming full subscription. Subject to finalisation of the Basis of Allotment.

For details in relation fractional entitlements, see “*Terms of the Issue – Basis for the Issue and Terms of the Issue – Fractional Entitlements*” on page 383.

Terms of Payment

Due Date	Amount payable per Rights Equity Share (including premium)
On the Issue application (i.e. along with the Application Form)	₹81

GENERAL INFORMATION

Our Company was incorporated on March 4, 2020 in Mumbai, Maharashtra, as a public limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 4, 2020, issued by the RoC.

Changes in the Registered Office

There has been no change in the Registered Office of our Company since incorporation.

Registered and Corporate Office of our Company

Ground Floor, Piramal Ananta
Agastya Corporate Park
Kamani Junction, LBS Marg, Kurla
Mumbai 400 070
Maharashtra, India
Tel: +91 22 3802 3000/4000
Website: www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/
Corporate Identity Number: U24297MH2020PLC338592*
Registration No.: 338592
E-mail: shareholders.ppl@piramal.com

**Our Company vide its letter dated November 3, 2022 has requested the RoC to update the corporate identity number to L24297MH2020PLC338592.*

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies
100, Everest
Marine Drive
Mumbai 400 002
Maharashtra, India

Board of Directors of our Company

Set forth below are the details of our Board as on the date of this Letter of Offer:

Name	Age	Designation	Address	DIN
Nandini Ajay Piramal	42	Chairperson and Executive Director	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400 018, Maharashtra, India	00286092
Peter Daniel DeYoung	45	Executive Director	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli Sea Face, Worli, Mumbai 400 018, Maharashtra, India	07152550
Vivek Valsaraj	49	Executive Director and Chief Financial Officer	Flat No. C -1403/04, 14 th Floor, Tribeca CHS Ltd., Hiranandani Estate, Ghodbundar Road, Patalipada, Thane (West) 400 607, Maharashtra, India	06970246
Neeraj Bharadwaj	54	Non-Executive Director	A-187, New Friends Colony, South Delhi, New Delhi 110 065, India	01314963
Nathalie Ann Leitch	55	Non-Executive Director	1110 Hudson St Apt 5, 5N Hoboken, NJ-07030-5318, New Jersey 07030, USA	09557042
Jairaj Manohar Purandare	64	Non-Executive Independent Director	1, Lalit, 37, Nathalal Parekh Marg, Wodehouse Road, Near Badhwar Park, Mumbai 400 001, Maharashtra, India	00159886
Peter Andrew Stevenson	70	Non-Executive Independent Director	2200 N Ocean Blvd, Apt S 1001 Fort Lauderdale, 2087 Florida 33305, USA	09544706
Ramadorai Subramanian	78	Non-Executive Independent Director	Flat No. 1, Wyoming, Little Gibbs Road, Malabar Hill, Mumbai 400 006, Maharashtra, India	00000002
Sridhar Gorthi	50	Non-Executive Independent Director	1002, 10 th Floor, June Blossoms, Manuel Gonsalves Road, Near Saint Peters Church, Bandra (West), Mumbai 400 050, Maharashtra, India	00035824

Name	Age	Designation	Address	DIN
Vibha Paul Rishi	63	Non-Executive Independent Director	Flat No. CM-519B, The Camellias, Golf Course Road, DLF Phase 5, Galleria DLF IV, Gurgaon 122 009, Haryana, India	05180796

Company Secretary and Compliance Officer

Tanya Sanish is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Tanya Sanish

Ground Floor, Piramal Ananta
Agastya Corporate Park
Kamani Junction, LBS Marg, Kurla
Mumbai 400 070
Maharashtra, India
Tel: +91 22 3802 3000
Email: shareholders.ppl@piramal.com

Lead Manager to the Issue

ICICI Securities Limited

ICICI Venture House, Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: ppl.rights@icicisecurities.com
Investor Grievance ID: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Ashik Joisar/ Gaurav Mittal
SEBI Registration No.: INM000011179

Legal Counsel to the Issue

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Tower
19, Brunton Road, Off M.G Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Statutory Auditors of our Company

Deloitte Haskins & Sells LLP

One International Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg, Elphinstone Road (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 022 6185 4000
E-mail: rkbhatt@deloitte.com
Firm Registration No: 117366W/W-100018
Peer Review Certificate No.: 013179

Changes in statutory auditors

Except as disclosed below, there has been no change in the statutory auditors of our Company during the last three years:

Details of Auditor	Date of Change	Reason for Change
M/s. D. Dadheech & Co., Chartered Accountants 319, Chambers, W.H. Marg Ballard Estate Mumbai 400 001 Maharashtra, India Tel: +91 93711 17290 E-mail: shekhar@ddadheech.com	June 20, 2020	Appointment as first auditor

Details of Auditor	Date of Change	Reason for Change
Firm Registration No: 101981W Peer Review Certificate No.: NA		
Deloitte Haskins & Sells LLP One International Centre Tower 3, 27th-32nd Floor Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400 013 Maharashtra, India Tel: +91 022 6185 4000 E-mail: rkbhatt@deloitte.com Firm Registration No: 117366W/W-100018 Peer Review Certificate No.: 013179	October 5, 2020	Appointment as joint statutory auditors with M/s. D. Dadheech & Co., Chartered Accountants
M/s. D. Dadheech & Co., Chartered Accountants 319, Chambers, W.H. Marg Ballard Estate Mumbai 400 001 Maharashtra, India Tel: +91 93711 17290 E-mail: shekhar@ddadheech.com Firm Registration No: 101981W Peer Review Certificate No.: NA	January 11, 2021	Resignation as joint statutory auditor on account of other pressing commitments

Registrar to the Issue and Share Transfer Agent

Link Intime India Private Limited

C-101, 1st Floor, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai 400 083

Maharashtra, India

Tel: +91 810 811 4949

E-mail: ppl.rights@linkintime.co.in

Investor Grievance ID: ppl.rights@linkintime.co.in

Contact Person: Sumeet Deshpande

Website: www.linkintime.co.in

SEBI Registration No.: INR000004058

Website URL: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

Investors may contact the Registrar to the Issue and Share Transfer Agent or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSB giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” beginning on page 366.

Experts

Our Company has received consents from its Statutory Auditors, Deloitte Haskins & Sells LLP through its letter dated July 27, 2023, to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Restated Consolidated Financial Information and the examination report dated July 27, 2023 thereon and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received consent from Bansi S. Mehta & Co., Chartered Accountants, to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the statement of possible special tax benefits available to our Company, our Shareholders and our Material Subsidiaries and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has received written consent dated July 27, 2023, from M/s. Mayur Khandelwal & Co., Chartered Accountants, to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has received written consent dated July 27, 2023, from the independent chartered engineer, namely Narendra Prasad (registration number: LM 62583), to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated July 27, 2023, certifying the capacity utilization for our development and manufacturing facilities included under “*Our Business – Manufacturing Operations*” on page 146 of this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has also received written consent dated July 27, 2023, from Dr. Ramesh M. Gidwani, as intellectual property consultant to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of their certificate dated July 27, 2023, in relation to the patent, trademark, copyright and design filings and registrations of our Company and its Subsidiaries in India and jurisdictions outside India where our Company and Subsidiaries operate, and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has also received written consent dated July 27, 2023, from NUVO Consultancy as regulatory consultant for product registrations to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of their certificate dated July 27, 2023, in relation to the product filings, and registrations and Drug Master Files of our Company and its Subsidiaries in India and jurisdictions outside India where our Company and its Subsidiaries operate, and such consent has not been withdrawn as on the date of this Letter of Offer

Banker to the Issue

Kotak Mahindra Bank Limited

Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (E)
Mumbai 400 097
Maharashtra, India
Tel: +91 022 6605 6603
Email: cmsipo@kotak.com
Website: www.kotak.com
Contact person: Siddhesh Shirodkar

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the Application Forms, please refer to the above-mentioned link.

Issue Schedule

Last Date for credit of Rights Entitlements	Monday, August 7, 2023
Issue Opening Date	Tuesday, August 8, 2023
Last date for On Market Renunciation of Rights Entitlements #	Thursday, August 10, 2023
Issue Closing Date*	Wednesday, August 16, 2023
Finalization of Basis of Allotment (on or about)	Tuesday, August 22, 2023
Date of Allotment (on or about)	Wednesday, August 23, 2023
Date of credit (on or about)	Thursday, August 24, 2023
Date of listing (on or about)	Monday, August 28, 2023

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or the Committee of Directors (Rights Issue) will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Friday, August 11, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Monday, August 14, 2023.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue

Closing Date. For details on submitting Application Forms, see “*Terms of the Issue - Process of making an Application in the Issue*” on page 368.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.linkintime.co.in. after keying in their respective details along with other security control measures implemented thereat. For further details, see “*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 379.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Inter se allocation of responsibilities

The following table sets forth the various activities:

S. No.	Activity
1.	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.
2.	Coordination for drafting and design of the Draft Letter of Offer and Letter of Offer as per the SEBI ICDR Regulations, SEBI LODR Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Drafting, design and distribution of the Abridged Letter of Offer, Application Form and Rights Entitlement Letter
4.	Selection of various agencies connected with Issue, such as Registrars to the Issue, Printers and Advertising agencies
5.	Drafting and approval of all statutory advertisements
6.	Selection of various agencies connected with Issue, such as Banker(s) to the Issue, Monitoring Agency, etc., as may be applicable and co-ordination of the respective agreements.
7.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.
8.	Drafting and design of Roadshow presentation
9.	Formulating and Coordination of International marketing strategy
10.	Formulation and coordination of Domestic Institutional marketing strategy
11.	Co-ordination with stock exchanges and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit
12.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> Formulating marketing strategies; Finalising collection centres; and Follow-up on distribution of publicity and Offer material including application form, letter of offer.
13.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Bank about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self-Certified Syndicate Banks, etc. and coordination of underwriting arrangement, if any. Release of 1% security deposit.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed CARE Ratings Limited to monitor the utilisation of the Net Proceeds, in accordance with Regulation 82 of the SEBI ICDR Regulations.

CARE Ratings Limited

4th Floor, Godrej Coliseum
Somaiya Hospital Rd, off Eastern Express Highway
Sion East, Mumbai
Tel: +91 022 6754 3456
Email: kruti.rawal@careratings.com
Website: www.careratings.com
Contact person: Kruti Rawal
SEBI Registration No.: IN/CRA/004/1999

Minimum Subscription

The objects of the Issue involve (i) repayment or prepayment, in full or in part, of certain borrowings availed by our Company; and (ii) general corporate purposes. Further, our Promoter, Ajay G. Piramal, together with the Promoter Group by way of letter dated March 27, 2023, have undertaken that they will subscribe to the full extent of their Rights Entitlements and together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion in the Rights Issue as may be required to ensure that the aggregate subscription in the Rights Issue shall be 100% of the Equity Shares offered in the Rights Issue and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

The allotment of Equity Shares subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Underwriting

The Issue is not underwritten.

Filing

This Letter of Offer is being filed with the Stock Exchanges and the SEBI as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing, through the SEBI intermediary portal at siportal.sebi.gov.in in terms of the SEBI ICDR Master Circular.

CAPITAL STRUCTURE

The Equity Share capital of our Company as of the date of this Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid up share capital after the Issue, are set forth below:

(In ₹, except share data)			
		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	262,90,00,000 Equity Shares	2629,00,00,000	
	35,00,00,000 preference shares (of face value of ₹10 each)	350,00,00,000	-
	2,10,00,000 unclassified shares (of face value of ₹10 each)	21,00,00,000	
	Total	3000,00,00,000[#]	
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	119,33,18,500 Equity Shares	1193,31,85,000	-
C	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER		
	Up to 12,96,29,630 Rights Equity Shares of ₹10 each ⁽¹⁾	Up to 129,62,96,300	Up to 1,050 crore
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽²⁾		
	132,29,48,130 Equity Shares of ₹10 each	1322,94,81,300	-

The MCA portal incorrectly reflects the authorised share capital of our Company as ₹3100,00,00,000. Our Company pursuant to application dated September 21, 2022, has sought for rectification of the authorised share capital to ₹3000,00,00,000.

⁽¹⁾ The Issue has been authorised by the Board pursuant to a resolution dated February 8, 2023. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Committee of Directors (Rights Issue) at its meeting held on July 27, 2023.

⁽²⁾ Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to the Capital Structure

- (a) **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations** The shareholding pattern of our Company as of June 30, 2023, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/piramal-pharma-ltd/pplpharma/543635/shareholding-pattern/> and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PPLPHARMA&tabIndex=equity*;
- (b) The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as of June 30, 2023, can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=543635&qtrid=116.00&QtrName=June%202023> and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PPLPHARMA&tabIndex=equity*; and
- (c) The statement showing details of shareholders of our Company belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as of June 30, 2023 as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=543635&qtrid=116.00&QtrName=June%202023> and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=PPLPHARMA&tabIndex=equity*.

*Following amendments have been made to the list of promoter group entities:

- 1) Three of the members of the Promoter Group, namely, Kosamba Glass Deco Private Limited, Ansa Deco Glass Private Limited and The Address Makers Developers Private Limited have been re-classified to the public category pursuant to the approval from the Stock Exchanges on March 23, 2023;
- 2) One of the members of the Promoter Group, namely, Brickex Advisors Private Limited (“BAPL”) has been amalgamated with another member of the Promoter Group, namely, Piramal Corporate Services Private Limited (“PCSPL”). A scheme of amalgamation (“Scheme”) was entered into between BAPL and PCSPL and their respective shareholders, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, for amalgamation of BAPL with PCSPL. The rationale for the Scheme was inter alia (a) elimination of inter-company transactions; (b) simplification of group corporate structure; (c) rationalisation of administrative overheads; (d) greater administrative efficiency and (e) eliminate doubling of related costs, thereby reducing operational and administrative expenses and overheads, and lead to better cost and operational efficiencies. Pursuant to an order dated January 20, 2023, passed by the National Company Law Tribunal, Mumbai bench (“NCLT”) the Scheme was sanctioned. The appointed date of the Scheme was April 1, 2020. Pursuant to the Scheme, the entire business, assets, properties and liabilities of BAPL was transferred and vested, as a going concern, into PCSPL;
- 3) Certain entities forming part of the Promoter Group are under the process of being struck off since they have not undertaken any business or operations since incorporation, namely, (i) Piramal Advanced Systems Private Limited; (ii) Piramal Aerospace Private Limited; (iii) Piramal Aerostructures Private Limited; (iv) Piramal Auto Private Limited; (v) Piramal Chemtech and Fertilizers Private Limited; (vi) Piramal Defence Equipments Private Limited; (vii) Piramal Electrosystems Private Limited; (viii) Piramal Entertainment Private Limited;

(ix) Piramal e-Shopping Private Limited; (x) Piramal Flight Systems Private Limited; (xi) Piramal Forging Private Limited; (xii) Piramal Hospitality Private Limited; (xiii) Piramal Media Private Limited; (xiv) Piramal Offshore Private Limited; (xv) Piramal Oil & Gas Private Limited; (xvi) Piramal Security Private Limited; (xvii) Piramal Shipyard Private Limited; (xviii) Piramal Sports Private Limited; (xix) Piramal Televentures Private Limited (xx) Piramal Packaging Private Limited; (xxi) Piramal Agriculture Private Limited; (xxii) Piramal Higher Education Private Limited and (xxiii) Piramal Data Integrity Private Limited; and

- 4) One of the members of the Promoter Group, namely Alpex Holdings Private Limited ("AHPL") has been amalgamated with another member of the Promoter Group, namely, Piramal Glass Private Limited ("PGPL"). A scheme of amalgamation ("Scheme") was entered into between AHPL and PGPL and their respective shareholders and creditors, pursuant to the provisions of Section 233 of the Companies Act, 2013, for amalgamation of AHPL with PGPL. The rationale for the Scheme was to consolidate the business in one place and effectively manage both companies as a single entity, which would provide several benefits including streamlined group structure by reducing number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs. Pursuant to an order dated July 4, 2023, passed by the Regional Director, Mumbai, the Scheme was sanctioned. The appointed date of the Scheme was October 10, 2022. Pursuant to the Scheme, the entire business, assets, properties and liabilities of AHPL was transferred and vested, as a going concern, into PGPL.

1. Except as provided below, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer:

Particulars	ESOP Plan
Total number of options	5,92,95,675
Options granted	14,85,799
Options vested	-
Options exercised	-
Options expired/ lapsed	-
Options forfeited	-
Total options outstanding	-
Options unvested	-

2. Intention and extent of participation by the Promoter and Promoter Group

Our Promoter, Ajay G. Piramal, together with other persons in the Promoter Group by way of letter dated March 27, 2023, have confirmed that they intend to (i) subscribe the full extent of our rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations; and (b) together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion in the Issue as may be required to ensure that the aggregate subscription in the Issue shall be 100% of the Equity Shares offered in the Issue.

The allotment of Equity Shares of our Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

3. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹88.80.
4. Our Company shall ensure that any transaction in the securities of our Company by our Promoter and the Promoter Group during the period between the date of filing the Draft Letter of Offer and the Issue Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.
5. At any given time, there shall be only one denomination of the Equity Shares of our Company.
6. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.
7. Except for the issue of any Equity Shares or options/units pursuant to ESOP Plan, there will be no further issue of Equity Shares whether by way of a public issue, qualified institutions placement, issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Letter of Offer with SEBI and Stock Exchanges until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
8. **Details of the Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital**

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up Equity Share capital of our Company, as of June 30, 2023.

Sr. No.	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	The Sri Krishna Trust through its trustees Ajay G. Piramal and Swati Ajay Piramal	31,55,10,320	26.44
2.	CA Alchemy Investments	23,86,63,700	20.00
3.	Life Insurance Corporation of India	4,63,23,944	3.88
4.	V3 Designs LLP	3,88,04,000	3.25
5.	East Bridge Capital Master Fund Limited	3,83,30,463	3.21
6.	PRL Realtors LLP	3,58,95,652	3.01
7.	East Bridge Capital Master Fund I Ltd	2,58,45,596	2.17
8.	College Retirement Equities Fund – Stock Account	1,89,97,044	1.59
9.	Indiahold Limited	1,72,99,744	1.45

COMPOSITE SCHEME OF ARRANGEMENT

A composite scheme of arrangement (“**Scheme**”) was entered into between Piramal Enterprises Limited, our Company, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited, PHL Fininvest Private Limited and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act. Further, Equity Shares of our Company pursuant to the Scheme were listed on the Stock Exchanges with effect from October 19, 2022.

The Scheme was approved by our Board pursuant to its resolution dated October 7, 2021. Pursuant to an order dated August 12, 2022, passed by the National Company Law Tribunal, Mumbai bench (“**NCLT**”) the Scheme was sanctioned. The appointed Date of the Scheme was April 1, 2022. The Scheme is available at <https://www.piramal.com/investor/piramal-pharma-limited/shareholder-information/composite-scheme-of-arrangement/>.

The Scheme, *inter alia*, provided for the following:

- (i) the transfer by way of a demerger of the businesses, undertakings, activities, operations and properties of Piramal Enterprises Limited of whatever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of the Pharma Business⁽¹⁾ as a going concern including, *inter alia*, all immovable property (land together with buildings), all movable assets, all permits, licenses, permissions, right of way, approvals authorisations, clearances, consents, registrations, contracts, agreements, purchase orders, insurance policies, intellectual property, books, records, files, liabilities, employees and legal or other proceedings to our Company, the consequent issue of equity shares by our Company to the shareholders of Piramal Enterprises Limited in accordance with the share entitlement ratio (*as defined in the Scheme*). The equity shares of our Company, forming part of the Pharma Business of Piramal Enterprises Limited stood cancelled and extinguished;
- (ii) the amalgamation of Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited both being wholly owned subsidiaries of our Company, into our Company and consequent dissolution of Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited without winding up and the cancellation of the equity shares of Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited held by our Company and its nominee shareholder (“**Pharma Amalgamations**”);
- (iii) the amalgamation of PHL Fininvest Private Limited, a wholly owned subsidiary of Piramal Enterprises Limited, into Piramal Enterprises Limited and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PHL Fininvest Private Limited held by Piramal Enterprises Limited and joint shareholders (“**FS Amalgamation**”); and
- (iv) various other matters consequential or integrally connected therewith.

Consideration

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Pharma Business from Piramal Enterprises Limited to our Company in terms of the Scheme, our Company has issued and allotted 95,46,54,800 Equity Shares to the shareholders of the Piramal Enterprises Limited in the following manner:

“for every 1 (one) equity share of face and paid-up value of Rs. 2/- (Two) held in Piramal Enterprises Limited, 4 (Four) equity shares of face and paid-up value of Rs. 10/- (Ten) in Piramal Pharma Limited.”

No new shares were issued or payment made in cash or in kind, whatsoever, by our Company in connection with the Pharma Amalgamations or by Piramal Enterprises Limited in connection with the FS Amalgamation.

(1) *Pharma Business means the pharmaceutical business of Piramal Enterprises Limited conducted in India whereby it provides end-to-end development and manufacturing solutions to third parties across the drug lifecycle, through an integrated network, which comprises the following business undertaken:*

a. directly by Piramal Enterprises Limited :

i. Contract development and manufacturing of formulations and vitamin-mineral pre-mixes including at the Mahad facility;

ii. The business of manufacture, and distribution of consumer healthcare products, including through super distribution agreements; and

b. indirectly through Piramal Pharma Limited:

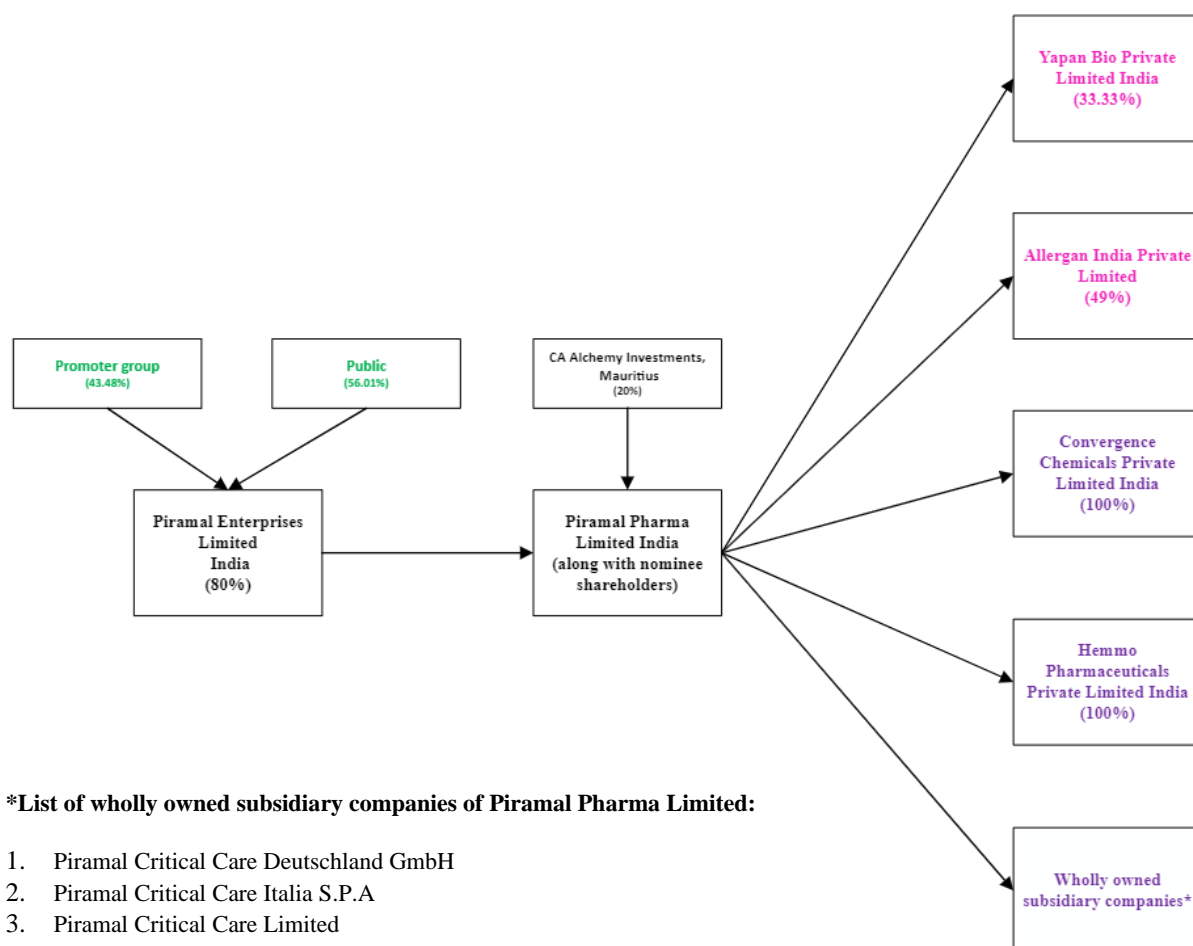
i. contract development and manufacturing organization services, ranging from discovery clinical development to commercial manufacturing of active pharmaceutical ingredients and formulations;

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

iii. developing and marketing consumer healthcare products.

Set out below is the diagrammatic representation of the scheme of arrangement

A. Pre-Scheme organisational structure and shareholding pattern



***List of wholly owned subsidiary companies of Piramal Pharma Limited:**

1. Piramal Critical Care Deutschland GmbH
2. Piramal Critical Care Italia S.P.A
3. Piramal Critical Care Limited
4. Piramal Healthcare (Canada) Limited
5. Piramal Healthcare (UK) Limited
6. Piramal Healthcare Pension Trustees Limited
7. Piramal Critical Care South Africa (Pty) Ltd
8. Piramal Dutch Holdings N.V
9. Piramal Healthcare, Inc.
10. Piramal Critical Care Inc.
11. Piramal Pharma Inc.
12. Piramal Pharma Solutions, Inc.
13. PEL Pharma Inc.
14. Ash Stevens LLC
15. Piramal Critical Care B.V.
16. Piramal Critical Care Pty. Ltd
17. PEL Healthcare LLC
18. Piramal Pharma Solutions (Dutch) B.V.
19. Piramal Pharma Japan GK
20. Piramal Pharma II Private Limited

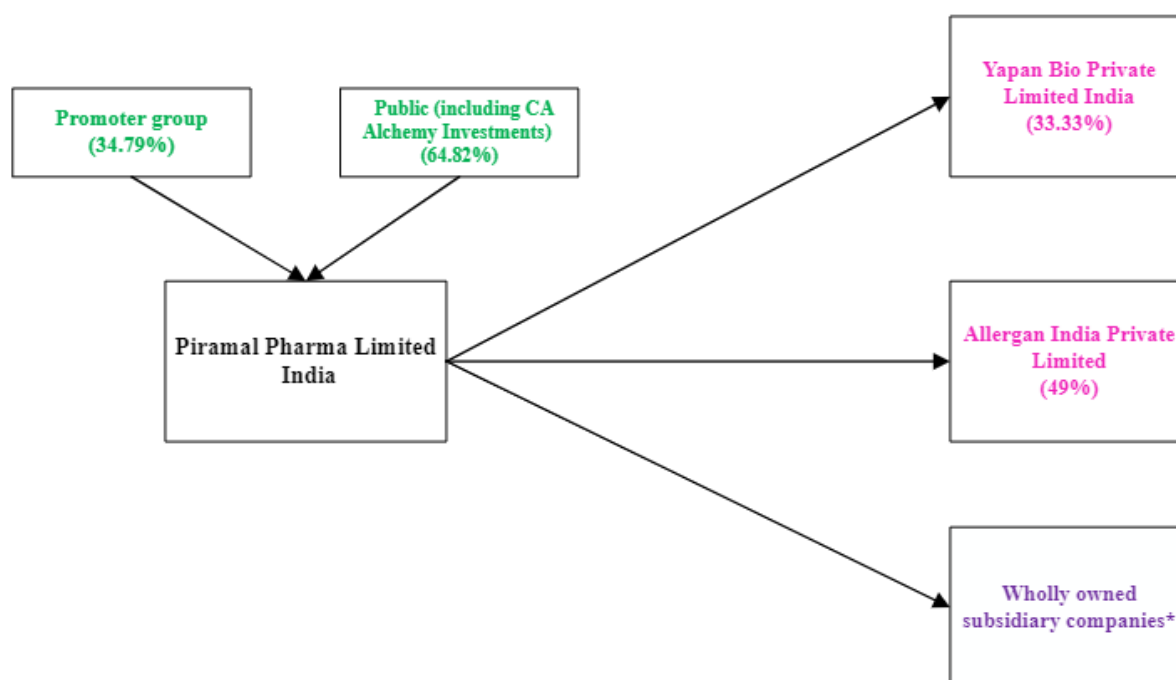
Note: 1. The above diagrammatic representation pertains to Piramal Pharma Limited and does not take into consideration other subsidiary companies of Piramal Enterprises Limited.
2. This representation is as on September 4, 2022 i.e. prior to the date of allotment pursuant to the demerger.

	Promoter
	Subsidiary company
	Associate company

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group*	7	94,72,49,806	-	-	94,72,49,806	79.88	94,72,49,806	94,72,49,806	79.88	-	-	-	-	-	-	94,72,49,806
(B)	Public	1	23,86,63,700	-	-	23,86,63,700	20.12	23,86,63,700	23,86,63,700	20.12	-	-	-	-	-	-	23,86,63,700
(C)	Non Promoters - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	8	118,59,13,506	-	-	118,59,13,506	100.00	118,59,13,506	118,59,13,506	100.00	-	-	-	-	-	-	118,59,13,506

*Promoter: Piramal Enterprises Limited; and Promoter Group: Nandini Ajay Piramal (nominee of Piramal Enterprises Limited), Peter Daniel DeYoung (nominee of Piramal Enterprises Limited), S.K Honnesh (nominee of Piramal Enterprises Limited), Vivek Valsaraj (nominee of Piramal Enterprises Limited), Bipin Singh (nominee of Piramal Enterprises Limited), and Tanya Sanish (nominee of Piramal Enterprises Limited).

B. Post-Scheme organisational structure and shareholding pattern



***List of wholly owned subsidiary companies of Piramal Pharma Limited:**

1. Piramal Critical Care Deutschland GmbH
2. Piramal Critical Care Italia S.P.A
3. Piramal Critical Care Limited
4. Piramal Healthcare (Canada) Limited
5. Piramal Healthcare (UK) Limited
6. Piramal Healthcare Pension Trustees Limited
7. Piramal Critical Care South Africa (Pty) Ltd
8. Piramal Dutch Holdings N.V
9. Piramal Healthcare, Inc.
10. Piramal Critical Care Inc.
11. Piramal Pharma Inc.
12. Piramal Pharma Solutions, Inc.
13. PEL Pharma Inc.
14. Ash Stevens LLC
15. Piramal Critical Care B.V.
16. Piramal Critical Care Pty. Ltd
17. PEL Healthcare LLC
18. Piramal Pharma Solutions (Dutch) B.V.
19. Piramal Pharma Japan GK
20. Piramal Pharma II Private Limited
21. Piramal Critical Care Single Member P.C. (incorporated on February 28, 2023)

Note: The above diagrammatic representation pertains to Piramal Pharma Limited and indicates changes in the organization structure occurred from September 5, 2022 (allotment date pursuant to the Demerger) to date.

	Promoters
	Subsidiary company
	Associate company

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group*	17	41,51,22,772	-	-	41,51,22,772	34.79	41,51,22,772	41,51,22,772	34.79	-	-	-	-	-	-	41,51,22,772
(B)	Public	1,79,938	77,34,13,400	-	-	77,34,13,400	64.81	77,34,13,400	77,34,13,400	64.81	-	-	23,86,63,700	30.86	-	-	77,34,13,400
(C)	Non Promoters - Non Public	2	47,82,328	-	-	47,82,328	0.40	47,82,328	47,82,328	0.40	-	-	-	-	-	-	47,82,328
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	2	47,82,328	-	-	47,82,328	0.40	47,82,328	47,82,328	0.40	-	-	-	-	-	-	47,82,328
	Total	1,79,957	119,33,18,500	-	-	119,33,18,500	100.00	119,33,18,500	119,33,18,500	100.00	-	-	23,86,63,700	20.00	-	-	119,33,18,500

*Promoter: Ajay G. Piramal; and Promoter Group: Swati A. Piramal, Anand Piramal, Nandini Ajay Piramal, Lalita G. Piramal, Peter Daniel DeYoung, Anya Piramal DeYoung, Dev Piramal DeYoung, Ajay G. Piramal (Karta of Ajay G. Piramal HUF), AASAN Corporate Solutions Private Limited, PRL Realtors LLP, The Ajay G. Piramal Foundation, The Sri Krishna Trust through its Trustee Ajay G Piramal and Swati A Piramal, Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust), V3 Designs LLP, Nandini Piramal Trust, and Anand Piramal Trust.

OBJECTS OF THE ISSUE

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised has been appraised by any bank, financial institution or any other external agency.

The Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment or prepayment, in full or in part, of certain borrowings availed by our Company;
2. General corporate purposes.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable our Company to undertake (i) its existing activities; (ii) to undertake the activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds.

Issue Proceeds

The details of the Net Proceeds are summarized in the table below:

(in ₹ crore)	
Particulars	Amount
Issue Proceeds*	1,050.00
Less: Estimated Issue related expenses	24.54
Net Proceeds	1,025.46

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ crore)	
Particulars	Estimated amount (up to)
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	859.24
General corporate purposes*	166.22
Total Net Proceeds	1,025.46

* The amount shall not exceed 25% of the Net Proceeds.

Means of Finance

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of our management, subject to applicable law. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws. Further, depending on the funding requirements of our Company and subject to market and other considerations, our Company may increase the size of the Issue by 20% of the Issue size disclosed in this Letter of Offer in accordance with the SEBI ICDR Regulations and other applicable law.

Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such project proposed to be funded from the Net Proceeds is not applicable.

Proposed Schedule of Implementation or Deployment of Net Proceeds

The following table provides the schedule of utilisation of the Net Proceeds:

(in ₹ crore)			
Particulars	Total estimated amount	Estimated utilisation from Net Proceeds	Estimated deployment of the Net Proceeds in Financial Year 2024
Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	859.24	859.24	859.24
General corporate purposes*	166.22	166.22	166.22
Total	1,025.46	1,025.46	1,025.46

* The amount shall not exceed 25% of the Net Proceeds.

In the event that the estimated utilization of the Net Proceeds in a scheduled Financial Year is not completely met (in full or in part), due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders approvals and in accordance with applicable laws. If the actual utilisation towards the repayment or prepayment, in full or in part, of certain borrowings availed by our Company is lower than the proposed deployment such balance will be used for future growth and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations.

In the event that the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilisation specified above, the same would be utilized in subsequent Financial Years for achieving the objects of the Issue.

Details of the activities to be financed from the Net Proceeds

The details in relation to objects of the Issue are set forth herein below.

I. *Repayment or prepayment, in full or in part, of certain borrowings availed by our Company*

Our Company has, in the regular course of business, entered into various financing arrangements, including, term loans, working capital loans and listed and unlisted non-convertible debentures. The working capital loans availed by us are typically short term in nature and are repaid within a period of three to six months from the date of avail. Further, depending on the business requirements of our Company and other considerations, certain of the working capital loans are rolled over based on commercially agreed upon terms between us and the lenders of these working capital loans. Such rollovers may result in changes to the certain commercial terms and conditions of such loans, including the change in the lenders in some cases. Since the repayment cycles of these working capital loans are short, our Company may have to rollover certain of these loans post filing of this Letter of Offer which may result in change in terms and conditions of these loans, including change in the lenders of certain loans. Additionally, the aggregate outstanding amounts under these borrowings may vary from time to time, and our Company may, in accordance with the relevant repayment schedule, repay or refinance, or prepay, some of its existing borrowings.

As at June 30, 2023, the amount outstanding under various borrowing arrangements of our Company to be fully or partially repaid or prepaid from the Net Proceeds was ₹959.24 crore. Our Company proposes to utilise an estimated amount of ₹859.24 crore from the Net Proceeds towards full or partial repayment or pre-payment of borrowings availed by our Company. Further, our Company has obtained consents from the lenders/ trustees of these borrowings and made intimations to lenders and trustees, as applicable, as on the date of this Letter of Offer. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

The following tables set forth the outstanding debt of our Company as at March 31, 2022, March 31, 2021 and March 31, 2020, on a standalone and consolidated basis:

A. *Outstanding debt on a standalone basis*

(in ₹ crore)			
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current Borrowings	1,034.94	676.66	165.20
Non-Current borrowings	592.34	477.12	0
Total	1,627.28	1,153.78	165.20

B. Outstanding debt on a consolidated basis

(in ₹ crore)

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current Borrowings	2,121.23	1,401.14	571.03
Non-Current borrowings	3,383.54	2,622.14	2,339.16
Total	5,504.76	4,023.28	2,910.19

The following tables set forth the financial ratios of our Company, for the Financial Year 2023 and 2022 and Financial Period 2021:

C. Financial ratios on a standalone basis

Sr. No.	Particulars	Numerator	Denominator	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
1.	Current ratio	Current assets	Current liabilities	1.20	1.34	1.20
2.	Debt equity ratio	Total debt	Total equity	0.31	0.23	0.04
3.	Debt service coverage ratio	Profit before interest, tax and exceptional items	Interest expense on long term debt and principal repayment of long term debt	1.02	8.21	-
4.	Return on capital employed	Earnings before interest and taxes	Capital employed*	3.6%	8.7%	14.1%

* Capital employed = tangible Net Worth + total debt + deferred tax liability.

Note: For details on the financial ratios on a standalone basis, see "Other Financial Information" on page 318.

D. Financial ratios on a consolidated basis

Sr. No.	Particulars	Numerator	Denominator	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
1.	Current ratio	Current assets	Current liabilities	1.26	1.34	1.47
2.	Debt equity ratio	Total debt	Total equity	0.81	0.60	0.52
3.	Debt service coverage ratio	Profit before interest, tax and exceptional items	Interest expense on long term debt and principal repayment of long term debt	0.24	2.02	0.64
4.	Return on capital employed	Earnings before interest and taxes	Capital employed*	2.9%	10.4%	20.8%

* Capital employed = tangible Net Worth + total debt + deferred tax liability.

Note: For details on the financial ratios on a consolidated basis, see "Other Financial Information" on page 318.

The following table provides details of certain borrowings availed by our Company which are outstanding as on June 30, 2023, out of which certain borrowings are currently proposed to be repaid or prepaid, in full or in part, to the extent of ₹859.24 crore from the Net Proceeds:

Name of Bank/ Financial institution	Nature of borrowing, date of sanction and date of borrowing availed	Principal loan amount sanctioned as on June 30, 2023 (₹ in crore)	Principal amount disbursed as on June 30, 2023 (₹ in crore)	Principal amount outstanding as on June 30, 2023 (₹ in crore)	Principal loan amount considered for repayment from Issue proceeds (₹ in crores)	Interest rate (% per annum)#	Date of Repayment	Purpose for which disbursed amount was utilized*	Prepayment penalty/ Additional fees
IndusInd Bank Limited	Working capital demand loan Date of loan sanction: February 15, 2022 Date of loan availed: May 22, 2023	200.00	25.00	25.00	25.00	8.15	November 17, 2023	Working Capital requirements	N.A.
	Working capital demand loan Date of loan sanction: February 15, 2022 Date of loan availed: May 24, 2023		25.00	25.00	25.00	8.15	November 20, 2023		N.A.
	Working capital demand loan Date of loan sanction: February 15, 2022 Date of loan availed: May 29, 2023		90.00	90.00	90.00	8.25	November 24, 2023		N.A.
Kotak Mahindra Bank	Working capital demand loan Date of loan sanction: May 23, 2022 Date of loan availed: May 11, 2023	100.00	30.00	30.00	30.00	8.60	September 25, 2023	Working Capital requirements	1% on the outstanding loan amount
	Working capital demand loan Date of loan sanction: May 23, 2022 Date of loan availed: May 15, 2023		20.00	20.00	20.00	8.60	September 25, 2023		
Axis Bank Limited	Working capital demand loan Date of loan sanction: March 4, 2023 Date of loan availed: March 8, 2023	200.00	35.00	35.00	35.00	8.30	September 4, 2023	Working Capital requirements	N.A.
	Working capital demand loan		20.00	20.00	20.00	8.60	October 25, 2023		

Name of Bank/ Financial institution	Nature of borrowing, date of sanction and date of borrowing availed	Principal loan amount sanctioned as on June 30, 2023 (₹ in crore)	Principal amount disbursed as on June 30, 2023 (₹ in crore)	Principal amount outstanding as on June 30, 2023 (₹ in crore)	Principal loan amount considered for repayment from Issue proceeds (₹ in crores)	Interest rate (% per annum)#	Date of Repayment	Purpose for which disbursed amount was utilized*	Prepayment penalty/ Additional fees
	Date of loan sanction: March 4, 2023 Date of loan availed: April 28, 2023								
	Working capital demand loan Date of loan sanction: March 4, 2023 Date of loan availed: May 3, 2023		45.00	45.00	45.00	8.60	October 30, 2023		
	Working capital demand loan Date of loan sanction: March 4, 2023 Date of loan availed: May 3, 2023		4.00	4.00	4.00	8.60	October 30, 2023		
	Working capital demand loan Date of loan sanction: March 4, 2023 Date of loan availed: May 4, 2023		45.00	45.00	45.00	8.60	October 31, 2023		
	Term loan Date of loan sanction: June 17, 2021 Date of loan availed: October 29, 2021	30.00	3.45	-	-	9.00	December 31, 2026 (Re-payable in installment - last installment due on December 31, 2026)	Funding the capital expenditure required for expanding the capacities of the facilities	N.A.
	Term loan Date of loan sanction: June 17, 2021 Date of loan availed: November 11, 2021		3.93	2.88	2.88	9.00			
	Term loan		2.15	2.15	2.15	9.00			

Name of Bank/ Financial institution	Nature of borrowing, date of sanction and date of borrowing availed	Principal loan amount sanctioned as on June 30, 2023 (₹ in crore)	Principal amount disbursed as on June 30, 2023 (₹ in crore)	Principal amount outstanding as on June 30, 2023 (₹ in crore)	Principal loan amount considered for repayment from Issue proceeds (₹ in crores)	Interest rate (% per annum)#	Date of Repayment	Purpose for which disbursed amount was utilized*	Prepayment penalty/ Additional fees
	Date of loan sanction: June 17, 2021 Date of loan availed: November 15, 2021								
	Term loan Date of loan sanction: June 17, 2021 Date of loan availed: November 18, 2021		1.02	1.02	1.02	9.00			
	Term loan Date of loan sanction: June 17, 2021 Date of loan availed: November 30, 2021		7.02	7.02	7.02	9.00			
	Term loan Date of loan sanction: June 17, 2021 Date of loan availed: May 5, 2022		4.02	4.02	4.02	9.00			
	Term loan Date of loan sanction: June 17, 2021 Date of loan availed: July 27, 2022		3.15	3.15	3.15	9.00			
BNP Paribas	Working capital demand loan Date of loan sanction: May 20, 2022 Date of loan availed: May 30, 2023	50.00	50.00	50.00	50.00	8.03	November 24, 2023	Working Capital requirements	N.A
The Hongkong & Shanghai Banking	INR Export Packing Credit Date of loan sanction: March 21, 2022	100.00	27.00	27.00	27.00	8.25	September 29, 2023	Working Capital requirements	N.A

Name of Bank/ Financial institution	Nature of borrowing, date of sanction and date of borrowing availed	Principal loan amount sanctioned as on June 30, 2023 (₹ in crore)	Principal amount disbursed as on June 30, 2023 (₹ in crore)	Principal amount outstanding as on June 30, 2023 (₹ in crore)	Principal loan amount considered for repayment from Issue proceeds (₹ in crores)	Interest rate (% per annum)#	Date of Repayment	Purpose for which disbursed amount was utilized*	Prepayment penalty/ Additional fees
Corporation Limited	Date of loan availed: March 1, 2023								
	INR Export Packing Credit Date of loan sanction: March 21, 2022 Date of loan availed: March 6, 2023		10.00	10.00	10.00	8.22	September 29, 2023		N.A
	INR Export Packing Credit Date of loan sanction: March 21, 2022 Date of loan availed: March 2, 2023		63.00	63.00	63.00	8.26	September 29, 2023		N.A
	Term Loan Date of loan sanction: March 21, 2022 Date of loan availed: July 18, 2022		200.00	200.00	200.00	100.00	8.66	July 18,2027 (Re-payable in installments , last installment due on July 18, 2027)	Reimbursement of Capex already incurred in FY 2022
	Citi Bank NA	Working Capital Demand Loan Date of loan sanctions: March 15, 2021 Date of loan availed: March 15, 2023	50.00	50.00	50.00	50.00	8.84	September 11, 2023	Working Capital requirements
State Bank of India	Working Capital Demand Loan Date of loan sanctions: February 14, 2023 Date of loan availed: May 26, 2023	200.00	100.00	100.00	100.00	8.25	November 22, 2023	Working Capital requirements	1% on the outstanding loan amount

Name of Bank/ Financial institution	Nature of borrowing, date of sanction and date of borrowing availed	Principal loan amount sanctioned as on June 30, 2023 (₹ in crore)	Principal amount disbursed as on June 30, 2023 (₹ in crore)	Principal amount outstanding as on June 30, 2023 (₹ in crore)	Principal loan amount considered for repayment from Issue proceeds (₹ in crores)	Interest rate (% per annum)#	Date of Repayment	Purpose for which disbursed amount was utilized*	Prepayment penalty/ Additional fees
	Working Capital Demand Loan Date of loan sanctions: February 14, 2023 Date of loan availed: May 29, 2023		100.00	100.00	100.00	8.25	November 24, 2023		
Total		1,130.00	963.74	959.24	859.24				

* In accordance with the SEBI ICDR Regulations, our Company has obtained a certificate dated July 27, 2023 from the Statutory Auditors who have certified that the borrowings have been utilised towards the purposes for which such borrowings were availed. However, out of a total amount of ₹959.24 crore which was outstanding for the above mentioned facilities, our Company proposes to repay/ prepay borrowings aggregating to ₹859.24 which were utilised as of June 30, 2023 for the purposes for which such borrowings were availed.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

We may consider the following factors for identifying the loans that will be repaid or pre-paid out of the Net Proceeds:

1. Costs, expenses and charges relating to the facility including interest rates involved;
2. Presence of onerous terms and conditions under the facility;
3. Ease of operation with the lender;
4. Terms and conditions of consents and waivers;
5. Provisions of any law, rules, regulations governing such borrowings; and/or
6. Other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time, and our Company may, in accordance with the relevant repayment schedule, repay or refinance, or prepay, some of their existing borrowings. In the event Net Proceeds are insufficient for the said repayment, such repayment shall be made from the internal accruals of our Company. For details, please see the section entitled “*Risk Factors - 40. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control*” on page 40.

Accordingly, we may utilise the Net Proceeds for full or partial prepayment or repayment of any such refinanced facilities, or full or partial prepayment, or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹859.24 crore. In the event our Board deems appropriate, the amount allocated for estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/ pre-paid in part or full by our Company in the subsequent Financial Year. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

II. *General corporate purposes*

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹166.22 crore towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Net Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, acquiring assets, such as plant and machinery, furniture and fixtures, and vehicles and intangibles, meeting any expenses related to brand building, other marketing expenses, upgradation of information technology infrastructure, insurance related expenses, funding growth opportunities, including strategic initiatives, payment of interest on borrowings, leasehold improvements, meeting of exigencies which our Company may face in the course of any business and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

(unless otherwise specified, in ₹ crore)

Sr. No.	Particulars	Estimated amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fees payable to the Lead Manager (including underwriting commission, brokerage and selling commission)	2.70	11.00	0.26
2.	Fees payable to the Registrar to the Issue	0.15	0.60	0.01
3.	Advertising, marketing and shareholder outreach expenses	0.11	0.43	0.01
4.	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	2.44	9.94	0.23
5.	Fees payable to others [#]	3.74	15.23	0.36
6.	<i>Others</i>			
	Printing and stationery	0.46	1.87	0.04
	Fees payable to the legal counsels	8.69	35.44	0.83
	Miscellaneous expenses	6.25	25.49	0.60
Total estimated Issue related expenses*		24.54	100.00	2.34

[#] Includes fees payable to the Statutory Auditors, CRISIL for preparing the industry report commissioned by our Company, the virtual data room provider in connection with due diligence for the Issue.

* Includes applicable taxes. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

Our Company has appointed CARE Ratings Limited as the Monitoring Agency to monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 82 of the SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Director's report, after placing it before the Audit Committee.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other confirmations

No part of the proceeds of the Issue will be paid by our Company to our Promoter, our Promoter Group, our Directors or our Key Managerial Personnel, except in the normal course of its business.

Our Promoter, our Promoter Group and our Directors do not have any interest in the objects of the Issue, and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoter, Promoter Group, Directors or Key Managerial Personnel or Senior Management Personnel.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors

Piramal Pharma Limited
Ground Floor, Piramal Ananta,
Agastya Corporate Park,
Kamani Junction, LBS Marg
Kurla
Mumbai – 400 070

ICICI Securities Limited

ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India

(ICICI Securities Limited, referred to as the “Lead Manager” or “LM”)

Re: Rights issue of equity shares of face value of ₹ 10 each (the “Equity Shares”) of Piramal Pharma Limited (the “Company”) under Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”), and the Companies Act, 2013, as amended (the “Companies Act, 2013”) (“Rights Issue”)

Dear Sir/Madam

We hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialed by us for identification purpose (“**Statement**”) for the Rights Issue, provides the possible special tax benefits available to the Company, its shareholders and its material subsidiaries, under direct tax and indirect tax laws presently in force in India, as amended and read with the rules, circulars and notifications, applicable for Financial Year 2023-24.

The Company has identified four material subsidiaries, viz. Piramal Critical Care Inc, Piramal Healthcare Inc, Piramal Pharma Solutions Inc, each situated in the United States of America and Piramal Healthcare UK Limited, situated in United Kingdom. The aforesaid Statement also covers possible special tax benefits in the hands of these material subsidiaries, under direct and indirect tax laws presently in force in the United States and United Kingdom, applicable for assessment year being financial year ending December 31, 2022.

Several of these benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders and/or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company or its shareholders or its material subsidiaries faces in the future, the Company or its shareholders or its material subsidiaries may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part B – 1)(10) of the SEBI ICDR Regulations. For the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, and/or its shareholders and/or its material subsidiaries, the same would include those benefits as enumerated in **Annexure A**. Further, any benefits available under any other laws within or outside India, except for those mentioned in Annexure A have not been examined and covered by this statement.

The preparation of the accompanying statement is accurate, complete, and free from misstatement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents.

The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Rights Issue.

Also, our confirmation is based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

In respect of non-residents, the tax rates and the consequent taxation in India shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Our confirmation is based on the information, explanations and representations obtained from the Company and confirmation received from the tax advisors of the respective overseas material subsidiaries of the Company with respect to the possible special tax benefits in their respective overseas jurisdictions and based on our understanding of the business activities and operations of the Company and its material subsidiaries.

Insofar as possible special tax benefits under direct and indirect tax laws in the United States as applicable to Piramal Critical Care Inc (US), are concerned, we have relied on the certificates/statements dated July 14, 2023 and July 14, 2023 issued by KNAV PA and Samarth CPA LLC, respectively without independently verifying the correctness of the certificate/statement or content therein.

As regards possible special tax benefits under direct and indirect tax laws in the United States as applicable to Piramal Healthcare Inc (US), are concerned, we have relied on the certificates/statements dated July 14, 2023 and July 14, 2023 issued by KNAV PA and Samarth CPA LLC, respectively without independently verifying the correctness of the certificate/statement or content therein

As regards possible special tax benefits under direct and indirect tax laws in the United States as applicable to Piramal Pharma Solutions Inc (US), are concerned, we have relied on the certificates/statements dated July 14, 2023 and July 14, 2023 issued by KNAV PA and Samarth CPA LLC, respectively without independently verifying the correctness of the certificate/statement or content therein

As regards possible special tax benefits under direct and indirect tax laws in United Kingdom as applicable to Piramal Healthcare UK Limited, are concerned, we have relied on the certificate dated July 14, 2023 and July 14, 2023 issued by Price Bailey LLP and KNAV Limited, respectively, without independently verifying the correctness of the certificate/statement or content therein.

Also, we do not assume responsibility to update the Statement with any subsequent amendments in the taxation laws in United States and United Kingdom, as is applicable to the material subsidiaries.

We do not express an opinion or provide any assurance as to whether:

- (a) The Company, its material subsidiaries and its shareholders will continue to obtain the benefits as per the Statement in future;
- (b) The conditions prescribed for availing the benefits, wherever applicable have been/ would be met with; and
- (c) The revenue authorities/courts will concur with the views expressed herein.

We hereby consent to be named an “expert” under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

We also consent to the inclusion of this Statement and the Annexure as a part of “*Material Contracts and Documents for Inspection*” in connection with the Rights Issue, which will be available for inspection from date of the filing of the Letter of Offer until the Issue Closing Date.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We have conducted our examination in accordance with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and accordingly, confirm that we have complied with such Code of Ethics issued by the ICAI.

This certificate is for information and for inclusion (in part or full) in the Issue Documents or any other Rights Issue-related material, and may be relied upon by the Company, the Lead Manager and the legal advisors appointed by the Company and the Lead Manager in relation to the Offer.

We hereby consent to (i) the submission of this certificate as may be necessary to the SEBI, the relevant stock exchanges and any other regulatory authority and/or for the records to be maintained by the Lead Manager and in accordance with applicable law; and (ii) the disclosure of this certificate if required by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority; or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

Yours faithfully,

For Bansi S. Mehta & Co.
Chartered Accountants
ICAI Firm Registration Number: 100991W

Name: Ronak G. Doshi
Designation: Partner
Membership No.: 116513
Place: Mumbai
UDIN: 23116513BGXMPU5875

Encl. Annexure A

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS

The information provided below sets out the possible tax benefits in the hands of the Piramal Pharma Limited (“the Company”) and its material subsidiaries, namely Piramal Critical Care Inc (US), Piramal Healthcare Inc (US), Piramal Pharma Solutions Inc (US) and Piramal Healthcare UK Limited and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences on the subscription, ownership and disposal of listed equity shares under the current tax laws presently in force. Several of these benefits are dependent upon fulfilling the conditions prescribed under the relevant tax laws in the concerned jurisdictions. Hence, the ability of the Company, its material subsidiaries and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives faced, they may or may not choose to fulfil.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications on purchase, ownership and disposing of listed equity shares, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits and consequences.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF LISTED EQUITY SHARES IN YOUR PARTICULAR SITUATION.

POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

Possible tax benefits under the Income-tax Act, 1961, (“the IT Act”) – Direct Tax Laws:

The law stated below is as per the Income-tax Act, 1961 as amended by Finance Act, 2023.

A. PIRAMAL PHARMA LIMITED (“the Company”):

1. The Company has exercised the option under section 115BAA to be taxed at a concessional corporate tax rate of 22% (as increased by the applicable surcharge and cess). Pursuant thereto, the Company is not entitled to certain stipulated deductions (including Chapter VIA deduction (except section 80JJAA and section 80M).

Further, the domestic companies opting for 115BAA will not be required to pay Minimum Alternate Tax (‘MAT’) under section 115JB. Since the MAT provisions under section 115JB itself would not apply to such companies, brought forward MAT credit (if any) would also not be available for set-off.

2. The Company is engaged in Research and Development (“R&D”) activities and has R&D centres in Mumbai and Ennore, which are recognised by the Department of Scientific and Industrial Research (DSIR).

The Company is eligible to claim deduction under section 35(1)(iv) r.w. section 35(2), of a sum equal to 100% of any capital expenditure (except expenditure on acquisition of land) on scientific research related to the business carried on by the Company at the aforesaid centres.

Where a deduction is allowed under section 35(1)(iv) in respect of expenditure represented wholly or partly by an asset, depreciation under section 32(1)(ii) shall not be allowed in respect of that asset.

Subject to the provisions of section 72(2) relating to business loss and section 73(3) relating to speculation loss, the unabsorbed capital expenditure on scientific research (if any) would be deemed to be an expenditure of the following previous year and so on for the succeeding previous years and deduction shall be allowed accordingly.

3. As per section 80JJAA of the IT Act, the Company is allowed to claim a deduction of 30% of additional employee cost paid to additional employees employed or deemed to be employed in the concerned year, for three assessment years beginning from the year in which the employment is provided subject to such conditions

specified in the said section.

4. Section 80M intends to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act. PPL would be eligible to claim deduction under section 80M in respect of dividends received from other domestic or foreign companies and further distributed to its shareholders, subject to satisfaction of the provisions of the section.

B. PIRAMAL CRITICAL CARE INC (US), PIRAMAL HEALTHCARE INC (US), PIRAMAL PHARMA SOLUTIONS INC (US) AND PIRAMAL HEALTHCARE UK LIMITED (MATERIAL SUBSIDIARIES):

From Indian tax laws perspective, there are no special tax benefits available to the material subsidiaries in India.

C. SHAREHOLDERS OF THE COMPANY:

1. The basis of charge of Indian income-tax would depend upon the residential status of the shareholder during a tax year. The Indian tax year runs from April 1 until March 31.
2. If the shareholder is an Indian tax resident, he is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
3. A shareholder who is treated as a non-resident for Indian income-tax purposes, is generally subject to tax in India only on his India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the “situs” of such shares. As per judicial precedents, generally the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred.

Accordingly, since PPL is incorporated in India, its shares are deemed to be “situated” in India and any income in respect of PPL shares and/or gains arising to a non-resident shareholder on transfer of such shares is taxable in India under the IT Act.

4. In case of non-resident shareholders, the tax rates and the consequent taxation, mentioned in this part shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (“DTAA”), if any, between India and the country of residence of the non-resident, subject to satisfying the relevant conditions including but not limited to:
 - a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument (“MLI”) as ratified by India with the respective country of which the said shareholder is a tax resident;
 - b) non-applicability of General Anti-Avoidance Rule (“GAAR”); and
 - c) providing and maintaining necessary information and documents as prescribed under the IT Act read with applicable rules, circulars and/or notifications.
5. All references to equity shares hereinafter refer to listed equity shares unless stated otherwise.

CI. Resident shareholders:

1. As a consequence of abolition of DDT under section 115-O w.e.f. FY 2020-21, the exemption available under section 10(34) in respect of dividend income has been discontinued. Thus, any dividend declared by the Company in future would be taxable in the hands of the shareholders under the head ‘Income from Other Source’ under section 56 of the IT Act at normal applicable rates.

The Company would be under an obligation to deduct tax at source under section 194 at the rate of 10% on payment of dividend to resident shareholders. In the absence of Permanent Account Number (“PAN”) of the shareholder, tax would be deductible at the rate of 20% as provided under section 206AA.

Section 194, further provides no deduction shall be made in the following cases –

- (i) the dividend is paid to a resident individual shareholder by any mode other than cash;

- (ii) the amount of aggregate dividend distributed or paid or likely to be distributed or paid during the financial year to the resident individual shareholder, does not exceed ₹5,000;
- (iii) the dividend is paid to Life Insurance Corporation of India, General Insurance Corporation of India or any other insurer, in respect of any shares owned by them or in which they have full beneficial interest.

Further, as per section 196, no deduction of tax shall be made by any person from any sums payable to –

- (i) the Government, or
- (ii) the Reserve Bank of India, or
- (iii) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, or
- (iv) a Mutual Fund specified under clause (23D) of section 10

No deduction of tax is required in case of resident individuals if 15G/15H certificate is furnished as per section 197A(1)/(1C).

Further, section 197A(1E) provides no deduction of tax shall be made from any payment to any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10.

2. Section 206AB provides for a higher withholding rate in case of any person (other than (a) a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:
 - (i) at twice the rate specified in the relevant provision of the IT Act; or
 - (ii) at twice the rate or rates in force; or
 - (iii) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the IT Act.

3. It is pertinent to note that since the dividend income will not be exempt in the hands of the shareholder, expenses incurred in relation to earning such income would not be liable for disallowance under section 14A of the IT Act.

Section 57(i) grants deduction of any reasonable sum paid by way of commission or remuneration paid to a banker or any other person for the purpose of realising dividend or interest on securities on behalf of the assessee. Further, under clause (iii) of section 57, deduction is allowable for any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning the income.

However, w.e.f. FY 2020-21, Finance Act, 2020 has inserted a proviso to section 57 to restrict deduction in respect interest expenses to 20% of such dividend income. Further, deduction shall not be permissible for any other expense that an assessee may incur wholly and exclusively for earning such income.

4. Section 80M intends to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act. Any shareholder being a domestic company may be entitled to the benefit of section 80M.
5. Finance Act, 2021 has amended section 234C of the IT Act w.e.f. FY 2020-21 pursuant to which interest at the rate of 1% shall not apply in respect of shortfall of advance tax payment on account of under estimation or failure to estimate dividend income as defined in section 2(22), excluding sub-clause (e) thereof.
6. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on

the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes (“CBDT”) has clarified in Circular No. 6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

7. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of Long Term Capital Gains, (“LTCG”) i.e. gains from the shares, being transfer of shares of Indian company held for a period exceeding twelve months, the second proviso to section 48 of the IT Act, permits substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed from time to time. The base year for indexation has been shifted from April 1, 1981 to April 1, 2001 and the cost of acquisition of an asset acquired before April 1, 2001 would be allowed to be taken as fair market value as on April 1, 2001.
8. The period of holding for shares subscribed to by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

9. As per section 112A of the IT Act, LTCG arising on sale/transfer of listed shares, it will be subject to tax at the rate of 10% if, Securities Transaction Tax (“STT”) has been paid on both, purchase and sale of rights issue (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and the aggregate LTCG during the financial year exceeds Rs.1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

As per the third proviso to section 48 of the IT Act, LTCG will be computed without considering the indexation benefit.

10. In cases other than those covered under section 112A, the provisions of section 112 will apply. As per the said provision, LTCG arising on transfer of the shares would be subject to tax at the rate of 20% (plus applicable surcharge and cess) after indexation. In case of listed shares, the amount of such tax shall, however, be limited to 10% (plus applicable surcharge and cess) without indexation. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act.
11. As per section 111A of the IT Act, Short Term Capital Gains (“STCG”), (i.e. gains from shares held for a period not exceeding twelve months) arising on transfer of the equity shares would be taxable at a rate of 15% (plus applicable surcharge and cess) where such transaction of sale is entered on a recognised stock exchange in India and is liable to STT. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.

STCG arising from transfer of the shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

12. For the purpose of computation of ‘Capital Gains’, the ‘cost of acquisition’ as provided under section 55(2)(aa) of the IT Act would be as under:
 - (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;
 - (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as *NIL*, in the hands of such shareholder;
 - (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;

- (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

- 13. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 14. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lacs are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

For the purposes of section 54EE of the IT Act, “long term specified assets” has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

- 15. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the shareholder, being an Individual or Hindu Undivided Family, on transfer of the shares would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India (“new asset”).

However, the said exemption shall not be available, if the shareholder:

- (a) Owns more than one residential house, other than the new asset, on the date of transfer of the shares; or
 - (b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the shares; or
 - (c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the shares;
- and
- (d) The income from such residential house, other than the one residential house owned on the date of transfer of the shares is chargeable under the head ‘Income from house property’.

Where the cost of new asset exceeds Rs. 10 crores, the amount exceeding Rs. 10 crores shall not be taken into account for the purpose of section 54F(1). That is to say, the maximum deduction permissible u/s 54F is restricted to Rs. 10 crores.

Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

- 16. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years’ STCG as well as LTCG, in terms of section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG, in terms of section 74 of the IT Act.

- 17. In terms of section 36(1)(xv) of the IT Act, the STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income

chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

18. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set off against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ non-speculative business income, as per section 72.

By virtue of section 73, loss from a speculative business is allowed to be set-off only against income from a speculative business. The balance loss, which is not set-off is allowed to be carried forward for subsequent four assessment years for being set off only against subsequent years’ speculative business income.

Further, as per Explanation to section 73, in case of a company, if any part of the business consists of the purchase and sale of shares, such company shall, for the purpose of this section, be deemed to be carrying on speculation business to the extent to which the business consists of the purchase and sale of such shares. This rule does not apply to a company –

- (a) whose gross total income consists mainly of income which is chargeable under heads of income other Business income; or
 - (b) whose principal business is trading in shares or banking or granting of loans and advances.
19. Section 115QA requires the Company to pay distribution tax at the rate of 20% (plus applicable surcharge as cess) on buy-back of shares on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares). As per section 10(34A) of the IT Act, income arising to the shareholders on such buy back of shares is exempt from income-tax in the hands of the shareholders.
 20. In case, where total income of any individual, HUF, AOP, BOI, Artificial Juridical Person includes any income by way of dividend or capital gains under sections 111A, 112 and 112A, the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	Income other than Dividend & Capital gains covered u/s 111A, 112 and 112A	Dividend & Capital gains covered u/s 111A, 112 and 112A
Upto ₹50 lakh	Nil	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹1 crore	10%	10%
Income exceeds ₹1 crore but does not exceed ₹2 crore	15%	15%
Income exceeds ₹2 crore but does not exceed ₹5 crores	25%	15%
Income exceeds ₹5 crores	37%#	15%

#In case of any individual, HUF, AOP (other than a co-operative society), BOI, Artificial Juridical Person, Finance Act, 2023 w.e.f. AY 2024-25 has made section 115BAC as the default tax regime. Under this regime the highest rate of surcharge is restricted to 25%. There is an option to opt out of section 115BAC, in which case, the surcharge rate of 37% would be applicable.

CII. Non-resident Shareholders (other than Foreign Institutional Investors (“FIIs”) or Foreign Portfolio Investors (“FPIs”):

1. As a consequence of abolition of DDT under section 115-O w.e.f. FY 2020-21, the exemption available under section

10(34) in respect of dividend income has been discontinued. Thus, any dividend declared by the Company in future would be taxable in the hands of the shareholders. As per section 115A, gross amount of dividend would be taxable at the rate of 20% (plus applicable surcharge and cess). The non-resident shareholder may avail treaty benefit (if any), subject to satisfaction of certain conditions.

The Company would be under an obligation to deduct tax at source under section 195 at applicable rates in force. In the absence of PAN of the shareholder, tax would be deductible at higher of, the applicable rate or 20% as per section 206AA of the IT Act. The provisions of section 206AA will, however not apply if the non-resident shareholder provides to the payer the following details as listed in Rule 37BC:

- (i) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which the shareholder is a resident;
- (iii) Tax Residency Certificate;
- (iv) Tax Identification Number/ Unique Identification Number of the shareholder.

2. Section 206AB provides for a higher withholding rate in case of any person ((a) other than a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf)) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:
 - (i) at twice the rate specified in the relevant provision of the IT Act; or
 - (ii) at twice the rate or rates in force; or
 - (iii) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the IT Act.

3. Finance Act, 2021 has amended section 234C of the IT Act w.e.f. FY 2020-21 pursuant to which interest at the rate of 1% shall not apply in respect of shortfall of advance tax payment on account of under estimation or failure to estimate dividend income as defined in section 2(22), excluding sub-clause (e) thereof.
4. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes ("CBDT") has clarified in Circular No. 6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.
5. The period of holding for shares subscribed by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

6. Under the first proviso to section 48 of the IT Act, in case of a non-resident shareholder, while computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares, and the capital gains so computed shall be reconverted into Indian currency.

7. As per section 112A of the IT Act, LTCG arising on sale/transfer of listed equity shares will be subject to tax at the rate of 10% if, STT has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and the aggregate LTCG during the financial year exceeds Rs.1 lakh. The said rate will be increased by applicable surcharge and health & education cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

As per the third proviso to section 48 of the IT Act, LTCG will be computed without considering the indexation benefit.

8. In cases other than those covered u/s 112A, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG arising on transfer of the shares would be subject to tax at a rate of 20% (plus applicable surcharge and health & education cess), with indexation. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act.
9. As per section 111A of the IT Act, Short Term Capital Gains (“STCG”), (i.e. gains from shares held for a period not exceeding twelve months) arising on transfer of the equity shares would be taxable at a rate of 15% (plus applicable surcharge and health & education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.

STCG arising from transfer of the shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

10. For the purpose of computation of ‘Capital Gains’, the ‘cost of acquisition’ as provided under section 55(2)(aa) of the IT Act would be as under:
- (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;
 - (b) in relation to renunciation of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as *NIL*, in the hands of such shareholder;
 - (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;
 - (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

11. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
12. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lacs are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

For the purposes of section 54EE of the IT Act, “long term specified assets” has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

13. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the shareholder, being an Individual or Hindu Undivided Family, on transfer of the shares would be exempt from tax, if

the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("new asset").

However, the said exemption shall not be available, if the shareholder:

- (a) Owns more than one residential house, other than the new asset, on the date of transfer of the shares; or
- (b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the shares; or
- (c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the shares;
and
- (d) The income from such residential house, other than the one residential house owned on the date of transfer of the shares is chargeable under the head 'Income from house property'.

Where the cost of new asset exceeds Rs. 10 crores, the amount exceeding Rs. 10 crores shall not be taken into account for the purpose of section 54F(1). That is to say, the maximum deduction permissible u/s 54F is restricted to Rs. 10 crores.

Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

14. The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the Assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the Assessee is not required to seek registration under any law for the time being in force, relating to companies.

Further, section 115JB expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the Income-tax Act, is less than the rate specified in section 115JB. The expenditures, if any, debited to the profit loss account, corresponding to such income (which is to be excluded from the MAT liability) shall also be added back to the book profit for the purpose of computation of MAT.

W.e.f. FY 2020-21, Finance Act, 2021 extends the above relief from applicability of MAT provisions to dividend income accruing or arising to a foreign company and correspondingly, adding back of expenditure related to such dividend income.

15. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

16. Where the shares have been subscribed in convertible foreign exchange, Non-Resident Indians ("NRI"), i.e. an individual being a citizen of India or person of Indian origin who is not a resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:
- (i) Under section 115E of the IT Act, the LTCG arising to the NRI shall be taxable at the rate of 10 % (plus applicable surcharge and health & education cess). While computing the LTCG, the benefit of indexation of cost would not be available.
 - (ii) Under section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares subscribed to in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified

assets or in any saving certificates referred to in section 10(4B) of the IT Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or saving certificate are transferred or converted into money within three years from the date of their acquisition.

- (iii) Under section 115G of the IT Act, it shall not be necessary for an NRI to furnish his return of income under section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
 - (iv) In accordance with the provisions of Section 115H of the IT Act, where an NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such investment income derived from the specified assets (which do not include shares in an Indian company) for that year and subsequent assessment years until such assets are converted into money.
 - (v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.
17. In terms of section 36(1)(xv) of the IT Act, the STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.
18. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set off against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ non-speculative business income, as per section 72.

By virtue of section 73, loss from a speculative business is allowed to be set-off only against income from a speculative business. The balance loss, which is not set-off is allowed to be carried forward for subsequent four assessment years for being set off only against subsequent years’ speculative business income.

Further, as per Explanation to section 73, in case of a company, if any part of the business consists of the purchase and sale of shares, such company shall, for the purpose of this section, be deemed to be carrying on speculation business to the extent to which the business consists of the purchase and sale of such shares. This rule does not apply to a company –

- (a) whose gross total income consists mainly of income which is chargeable under heads of income other than business income; or
 - (b) whose principal business is trading in shares or banking or granting of loans and advances.
19. Section 115QA requires the Company to pay distribution tax at the rate of 20% (plus applicable surcharge as cess) on buy-back of shares on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares). As per section 10(34A) of the IT Act, income arising to the shareholders on such buy back of shares is exempt from income-tax in the hands of the shareholders.
20. In case, where total income of any individual, AOP, BOI, Artificial Juridical Person includes any income by way of dividend or capital gains referred under sections 111A, 112 and 112A, the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	Income other than Dividend & Capital gains covered u/s 111A, 112 and 112A	Dividend & Capital gains covered u/s 111A, 112 and 112A
Upto ₹50 lakh	Nil	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹1 crore	10%	10%
Income exceeds ₹1 crore but does not exceed ₹2 crore	15%	15%
Income exceeds ₹2 crore but does not exceed ₹5 crores	25%	15%*
Income exceeds ₹5 crores	37%	15%*

* The capping of surcharge at 15% would not be available in case the income is taxable under section 115A.

#In case of any individual, HUF, AOP (other than a co-operative society), BOI, Artificial Juridical Person, Finance Act, 2023 w.e.f. AY 2024-25 has made section 115BAC as the default tax regime. Under this regime the highest rate of surcharge is restricted to 25%. There is an option to opt out of section 115BAC, in which case, the surcharge rate of 37% would be applicable.

- As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (*viz.* beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, alongwith Form No. 10F as prescribed under section 90(5) of the IT Act. Further, vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically. However, a notification vide Folio No F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227 dated December 12, 2022 has clarified that non-resident taxpayers who are not having PAN and are not required to obtain PAN as per relevant provisions of Act read with Income-tax rules, 1962 are exempted from mandatory electronic filing of Form 10F till March 31, 2023.

CIII. Non-resident Shareholders – FIIs/FPIs:

- Section 115AD(1) provides for taxation of income of *inter alia* FIIs/FPIs from securities or capital gains arising from their transfer. The rate of income-tax prescribed under the said section on various streams of income is as under:
 - Income in respect of *inter alia* shares – 20%
 - Short Term Capital Gains covered under section 111A – 15%
 - Other Short Term Capital Gains – 30%
 - Long Term Capital Gains – 10%
(In case of Long Term Capital Gains covered under section 112A, tax shall be calculated on gains exceeding Rs. 1 lac)

The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act. FII/FPI shareholder may avail treaty benefit (if any), subject to satisfaction of certain conditions.

- As a consequence of abolition of DDT under section 115-O w.e.f. FY 2020-21, the exemption available under section 10(34) in respect of dividend income has been discontinued. Thus, dividend declared by the Company in future would be taxable in the hands of the shareholders as per section 115AD on gross basis.

The Company would be under an obligation to deduct tax at source under section 196D at 20% (plus applicable surcharge and cess) or rate per the applicable treaty (subject to satisfaction of certain conditions), whichever is lower.

In the absence of PAN of the shareholder, tax would be deductible at higher of, the applicable rate or 20% as per section 206AA of the IT Act. The provisions of section 206AA will, however not apply if the non-resident shareholder provides

to the payer the following details as listed in Rule 37BC:

- (i) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which the shareholder is a resident;
- (iii) Tax Residency Certificate;
- (iv) Tax Identification Number/ Unique Identification Number of the shareholder.

3. Section 206AB provides for a higher withholding rate in case of any person ((a) other than a non-resident who does not have a permanent establishment in India or (b) a person who is not required to furnish the return of income for the assessment year relevant to the concerned previous year and is notified by the Central Government in the Official Gazette in this behalf)) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:
- (i) at twice the rate specified in the relevant provision of the IT Act; or
 - (ii) at twice the rate or rates in force; or
 - (iii) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the IT Act.

4. Finance Act, 2021 has amended section 234C of the IT Act w.e.f. FY 2020-21 pursuant to which interest at the rate of 1% shall not apply in respect of shortfall of advance tax payment on account of under estimation or failure to estimate dividend income as defined in section 2(22), excluding sub-clause (e) thereof.
5. As per section 2(14) of the IT Act, any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
6. The provisions of Indirect transfer in terms of Explanation 5 to section 9 of the IT Act shall not apply to non-resident investors, being Foreign Portfolio Investor ("FPI") Category-I and Category-II registered under Securities and Exchange Board of India (FPI) Regulations, 2014.
7. The period of holding for shares subscribed to by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

8. Under the first proviso to Section 48 of the IT Act, in case of a non-resident shareholder, while computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sale consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilised in the purchase of the shares.
9. Capital gains taxable under section 115AD would be computed without giving effect to the first and second proviso to section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains. In case of LTCG arising on long term capital assets referred to in section 112A, the gain will be chargeable to tax at 10% on income exceeding one lakh rupees.

Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.

10. For the purpose of computation of 'Capital Gains', the 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:
- (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;
 - (b) in relation to renunciation of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as *NIL*, in the hands of such shareholder;
 - (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;
 - (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

11. As per the seventh proviso to section 48, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
12. As per section 196D(2) of IT Act, tax is not required to be deducted at source from any income, by way of Capital Gains arising to a FII from the transfer of securities referred to in section 115AD of the IT Act.
13. The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

Further, section 115JB expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the Income-tax Act, is less than the rate specified in section 115JB. The expenditures, if any, debited to the profit loss account, corresponding to such income (which is to be excluded from the MAT liability) shall also be added back to the book profit for the purpose of computation of MAT.

W.e.f. FY 2020-21, Finance Act, 2021 extends the above relief from applicability of MAT provisions to dividend income accruing or arising to a foreign company and correspondingly, adding back of expenditure related to such dividend income.

14. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lacs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

For the purposes of section 54EE of the IT Act, "long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

15. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG,

in terms of section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

16. The CBDT has vide Notification No. 9/2014 dated January 22, 2014, notified FPIs registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of section 115AD of the IT Act.
17. Section 115QA requires the Company to pay distribution tax at the rate of 20% (plus applicable surcharge as cess) on buy-back of shares on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares). As per section 10(34A) of the IT Act, income arising to the shareholders on such buy back of shares is exempt from income-tax in the hands of the shareholders.
18. In case, where total income of any individual, AOP, BOI, Artificial Juridical Person includes any income by way of dividend or capital gains referred under section 115AD(1)(b), the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	Income other than Dividend & Capital gains referred u/s 115AD(1)(b)	Dividend & Capital gains covered referred u/s 115AD(1)(b)
Upto ₹50 lakh	Nil	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹1 crore	10%	10%
Income exceeds ₹1 crore but does not exceed ₹2 crore	15%	15%
Income exceeds ₹2 crore but does not exceed ₹5 crores	25%	15%
Income exceeds ₹5 crores	37% *	15%

#In case of any individual, HUF, AOP (other than a co-operative society), BOI, Artificial Juridical Person, Finance Act, 2023 w.e.f. AY 2024-25 has made section 115BAC as the default tax regime. Under this regime the highest rate of surcharge is restricted to 25%. There is an option to opt out of section 115BAC, in which case, the surcharge rate of 37% would be applicable. In case of FIIs/FPIs, the applicability of section 115BAC needs to be evaluated.

19. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (viz. beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, alongwith Form No. 10F as prescribed under section 90(5) of the IT Act. Further, recently vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically. However, a notification vide Folio No F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227 dated December 12, 2022 has clarified that non-resident taxpayers who are not having PAN and are not required to obtain PAN as per relevant provisions of Act read with Income-tax rules, 1962 are exempted from mandatory electronic filing of Form 10F till March 31, 2023.

CIV. Category III Alternative Investment Fund located in International Financial Services Centre & Investment Division of an Offshore Banking Unit:

1. W.e.f. FY 2020-21, the provisions of section 115AD are extended to a 'specified fund' defined under clause (c) of the Explanation to clause (4D) of section 10. 'Specified fund' is defined to mean a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate, –

- (i) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 made under the SEBI Act, 1992 or regulated under the IFSC (Fund Management) Regulations, 2022 made under the IFSC Authority Act, 2019;
- (ii) which is located in any International Financial Services Centre; and
- (iii) of which all the units are held by non-residents other than unit held by a sponsor or manager;

Finance Act, 2021 has w.e.f. FY 2021-22 further amended the definition of specified fund to also mean an investment division of an offshore banking unit, which has been—

- (i) granted a certificate of registration as a Category I FPI under the SEBI (FPI), Regulations, 2019 made under the SEBI Act, 1992 which has commenced its operations on or before the 31st day of March, 2024; and
- (ii) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed

2. The rate of income-tax prescribed under section 115AD(1) on various streams of income is as under:

- (i) Income in respect of *inter alia* shares – 10%
 - (ii) Short Term Capital Gains covered under section 111A – 15%
 - (iii) Other Short Term Capital Gains – 30%
 - (iv) Long Term Capital Gains – 10%
- (In case of Long Term Capital Gains covered under section 112A, tax shall be calculated on gains exceeding ₹1 lac)

The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act.

- 3. Finance Act, 2021 has further inserted a new sub-sections (1B) w.e.f FY 2021-22 to propose that notwithstanding anything contained in section 115AD(1), in case of investment division of an offshore banking unit, the provisions of this section shall apply to the extent of income that is attributable to the investment division of such banking units.
- 4. The provisions of section 115AD shall apply only to the extent of income that is attributable to units held by non-resident (not being a permanent establishment of a non-resident in India) calculated in the prescribed manner. Further, as per section 115JEE, the provisions of Alternate Minimum Tax shall not apply to such specified funds.
- 5. Section 196D(1A) provides for deduction of tax on any income in respect of securities referred to in section 115AD(1)(a) at the rate of 10% (plus applicable surcharge and cess). Provided that no deduction shall be made in respect of an income exempt under section 10(4D). In the absence of PAN, TDS rate would be increased to 20% as per section 206AA.

CV. Investment Funds – Category I or Category II Alternative Investment Fund (“AIF”):

- 1. Under section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012 or regulated under the IFSC (Fund Management) Regulations, 2022 made under the IFSC Authority Act, 2019.
- 2. As per section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in Investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.
- 3. In case, the Fund incurs any losses, only the business losses would be eligible to be carried forward and set-off by the Fund at the Fund level. The prescribed conditions laid down under the IT Act for carry forward and set off of losses should be applicable to the Fund in this regard.

Losses other than business loss shall be allowed to be carried forward and set-off by the Unitholders while computing the total tax liability, provided that the units of the Fund are held for a period of more than 12 months. Further, such loss cannot be carried forward at Fund level even if the loss is not passed onto the Investors on account of non-fulfilment of condition of holding the units for at least 12 months. The eligible period for carry forward of losses would

depend on the nature of loss.

4. Section 115UB of the IT Act further provides that:
 - (i) Income paid or credited by Fund shall be deemed to be of the same nature and in the same proportion in the hands of the Investors as if it had been received by or had accrued or arisen to Fund.
 - (ii) Income accruing or arising to, or received by, Fund, during a particular financial year, if not paid or credited to the Investors shall be deemed to be credited to the account of the Investors on the last day of the financial year in the same proportion in which such Investors would have been entitled to receive the income, had it been paid in the same financial year.
5. As per section 10(23FBB) read with section 115UB of the IT Act, any business income, accruing or arising to or received by Investors of the Fund, shall be exempt in the hands of the Investors and taxed in the hands of the Fund at the rates specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.
6. Income received by Fund which is exempt in its hand under section 10(23FBA) would not be subjected to any withholding tax by virtue of section 197A(1F) read with Notification No.51/2015/SO1703(E) dated June 25, 2015.
7. Further, as per section 194LBB of the Act, where any income, other than that proportion of income which is of the same nature as income referred to in section 10(23FBB) of the Act, is payable to a unit holder in respect of units of an Investment Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon:
 - (i) at the rate of 10% where the payee is a residents; and
 - (ii) at the rates in force where the payee is a non-resident.

CVI. Mutual Funds:

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

CVII. Provident Fund and Pension Fund:

Under section 10(25) of the IT Act, any income received by trustees on behalf of a recognized provident fund and a recognized superannuation fund is exempt from tax.

CVIII. Multi-lateral and Bilateral development Financial Institutions:

Generally, Multilateral and bilateral development financial institutions may be exempt from taxation in India on the capital gains arising on the sale of shares of the bank depending on the applicable Statute and Acts passed in India. For e.g., World Bank, IBRD, IFC, etc. In case, they are not specifically exempt from tax then the provisions as applicable for capital gains to a non-resident FII, as they should be registered as FII, should apply to these institutions.

CIX. INCOME TAX ON GIFTS

Under section 56(2)(x) of the IT Act and subject to exception provided therein, if any person receives from any person, any property, including, *inter alia*, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

- (i) where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs. 50,000/-, the whole FMV
- (ii) where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/-, aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of

various properties (including shares).

CX. GENERAL ANTI AVOIDANCE RULES (“GAAR”):

Having regard to Chapter X-A of the IT Act, GAAR may be invoked notwithstanding anything contained in the IT Act. Thus, any arrangement entered into by a taxpayer may be declared to be impermissible avoidance arrangement, as defined in that Chapter and the consequence would inter alia include denial of tax benefit. Further, as per section 90(2A), the benefit of the DTAA will not be available to a non-resident investor, if the concerned tax authorities declare any arrangement to be an impermissible avoidance arrangement. The GAAR provisions are applicable with effect from the Financial Year 2017-18.

Possible tax benefits under Indian Indirect tax laws:

A. Exemption and benefits provided as per Section 26 of the Special Economic Zone Act, 2005

1. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods imported into, or service provided in, a Special Economic Zone or a Unit, to carry on the authorized operations by the Developer or entrepreneur;
2. Exemption from any duty of customs, under the Customs Act, 1962 or the Customs Tariff Act, 1975 or any other law for the time being in force, on goods exported from, or services provided, from a Special Economic Zone or from a Unit, to any place outside India;
3. Drawback or such other benefits as may be admissible from time to time on goods brought or services provided from the Domestic Tariff Area into a Special Economic Zone or Unit or services provided in a Special Economic Zone or Unit by the service providers located outside India to carry on the authorized operations by the Developer or entrepreneur;
4. Exemption from the levy of Goods and Services Tax under Central Goods and Services Act 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications) on supply of notified goods and/or services if such goods and/or services are meant to carry on the authorized operations by the Developer or entrepreneur.

B. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

1. Remission of Duties and Taxes on Exported Products (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on 14th September 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms.

RoDTEP is a combination of the current Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL) and will replace all these schemes once come in operations. At present, embedded duties and taxes, which are not refunded under any other scheme, range from 1-3% are reimbursed. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrip.

2. Advance Authorization (AA)

The Advance Authorization Scheme is a scheme where the import of inputs will be allowed to be made duty-free (after making normal allowance for wastage) if they are physically incorporated in a product which is going to be exported. An export obligation is usually set as a condition for issuing Advance Authorization.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-Dumping Duty, Safeguard Duty and Transition Product-Specific Safeguard Duty, Integrated Goods and Services Tax, Compensation Cess, wherever applicable, subject to certain conditions.

3. Export Oriented Units (EOU)

Export Oriented Units have been defined under the Foreign Trade Policy as those units undertaking to export their entire production of goods and services (except permissible sales in Domestic Tariff Area) where the import of inputs will be allowed to be made duty-free if they are physically incorporated in a product which is going to be exported. An export obligation is usually set as a condition for issuing Advance Authorization.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-Dumping Duty, Safeguard Duty and Transition Product-Specific Safeguard Duty, Integrated Goods and Services Tax, Compensation Cess, wherever applicable, subject to certain conditions.

4. Export Promotion Capital Goods (EPCG)

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhancing India's manufacturing competitiveness. EPCG Scheme facilitates import of capital goods for producing quality goods and services at zero customs duty.

Import under EPCG Scheme shall be subject to a specific export obligation equivalent to 6 times of duties, taxes and cess saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of authorization.

EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty in lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions.

C. Benefits of Duty Drawback scheme under Section 74 and 75 of the Customs Act, 1962

Section 74 of the Act grants duty drawback up to 98% of the import duty paid on goods, if the goods are re-exported by the importer. The importer is entitled to drawback subject to the fulfilment of the certain conditions. Presently, the rate of Duty Drawback ranges from 0% to 95%.

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. Unlike drawback of a portion of the customs duty paid on imported goods, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the amount of drawback payable on such goods.

D. Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized Input Tax Credit (ITC).

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

Further, sales to merchant exporters will attract a concessional GST rate of 0.1% and the supplier can claim refund of accumulated ITC on account of lower output GST rate.

E. Product Linked Incentive (PLI) Scheme for Pharmaceutical sector:

The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector.

The scheme will provide financial incentives on the incremental sales (over Base Year) of pharmaceutical goods and in-vitro diagnostic medical devices to selected applicants based on pre-defined selection criteria. The incentives will be paid for a maximum period of 6 years for each participant depending upon the threshold investments and sales criteria to be achieved by the applicant ranging from 6% to 10%.

Notes:

1. The above benefits are as per the current tax law as amended from time to time as applicable to the financial year 2022-23.
 2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences in relation to the purchase, ownership and disposal of the equity shares.
 3. This statement is intended only to provide general information to the shareholders and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each shareholder is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
 4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. These views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. The Company does not assume responsibility to update the views consequent to such changes.
 5. The above statement sets out the possible tax benefits in the hands of the Company, its material subsidiaries and its shareholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
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POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY PIRAMAL CRITICAL CARE INC UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN THE UNITED STATES

Possible tax benefits under the Direct Tax Laws:

The legislation relevant to corporate tax is contained primarily in the Internal Revenue Code of 1986 ('IRC'), as amended by the treasury regulations and the other official tax guidance published by the Internal Revenue Service, and the tax laws of the various states.

1. Corporate Tax rate on business profits

A company, being a resident of the US, is subject to tax on its worldwide income, including any capital gains, at the regular corporate tax rate. For tax years 2022 and 2023, US resident companies are subject to tax at a corporate federal income tax rate of 21 percent.

The Company also files income and franchise tax returns in multiple states namely Alabama, Arizona, Alaska, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Missouri, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, New Mexico, New Jersey, New York, New York City, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, Vermont, West Virginia, and Wisconsin. The tax rates for the states, in which the Company has significant operations, vary between 3% to 10%.

The Company files a corporate income tax return, along with its US parent entity Piramal Healthcare Inc i.e., the Company is a part of the US consolidated corporate income tax return. Additionally, in a few states, the Company files corporate income tax returns at the standalone level while in a few states, it files combined returns with its parent Piramal Healthcare Inc.

The Company is also subject to and files commercial activity tax returns in the state of Ohio.

2. Taxation of Capital Gains

The capital gains are a part of business income for the purpose of taxability in the hands of the Company and chargeable to tax at the regular corporate tax rate. The capital loss, if any, can be set off against the capital gains. The unutilized capital losses can be carried back to each of the 3 taxable years preceding the loss year and can be carried over to each of the 5 taxable years succeeding the loss year.

During the tax year 2021, the Company had not generated any capital gain income nor incurred any capital loss.

3. Taxation of business losses

Any operating loss incurred by the company is allowed to be set off against the taxable profits (including capital gains) of the same year. The remaining loss can be carried forward and can be adjusted against the taxable profits of the future years. The net operating loss generated prior to the tax year 2018 can be carried forward to each of the 20 taxable years succeeding the loss year and can be utilized to the extent of 100% of taxable income for the year, against which the losses will be utilized. Whereas the net operating loss generated from the tax year 2018 onwards can be carried forward indefinitely but can be utilized to the extent of 80% of taxable income for the year, against which the losses will be utilized.

An additional restriction may be imposed on the utilization of the losses if the ownership of the company undergoes a change. The restriction is imposed on the losses generated, prior to the date of change of ownership of the company.

During the tax year 2021, the Company had utilized net operating losses carried forward from the prior tax years, on which additional restrictions were imposed in the prior years, because of the ownership change of the company in one of the prior years.

4. Capital Allowances available in respect of capital expenditure on qualifying plant and machinery

The federal tax laws provide for special depreciation allowance (deduction for expenditure on capital assets) equal to the applicable percentage of the unadjusted depreciable basis of certain qualified property acquired after September 27, 2017, and placed in service after September 27, 2017, and before January 1, 2027. The applicable percentage is 100% for property placed in service between September 28, 2017, and December 31, 2022, with annual 20% reductions in the applicable

percentage scheduled between the tax years 2023 and 2027. In order to be eligible to special depreciation allowance, the property must be placed in service in the USA.

Additionally, the federal tax laws provide for depreciation allowance equal to a certain specified percentage of the unadjusted depreciable property, placed in service in a country, other than the USA. The specified percentage of the depreciation allowance varies from 2.5% to 20% depending on the type of asset.

During the tax year 2021, the Company had claimed a 100% special depreciation allowance, for federal tax purposes, on the various tangible fixed assets acquired during the tax year 2021 and placed in service in the USA. Additionally, during the tax year 2021, the Company had claimed a depreciation allowance equal to 14.29% of the unadjusted tax basis, for the assets placed in service in a jurisdiction, other than the USA.

The treatment for such special depreciation allowance varies from state to state. While some states may conform to federal treatment, some states decouple with federal treatment.

5. Research and Development ('R&D') Tax Credit in respect of expenditure incurred on qualifying R&D activities

The federal tax law provides for a tax credit calculated as 11.06% of the difference between qualifying expenditure on qualifying R&D activities undertaken by a company and the base amount. This credit is in addition to the corporate tax deduction which is allowed for such expenditure on R&D in calculating the corporate tax profit for a company in respect of any period of assessment.

The R&D tax credit can be used to reduce the corporate tax liability of a company's current tax period of assessment. The unutilized R&D credit can be carried back to the taxable year preceding the year, in which the credit was generated and can be carried forward to each of the 20 taxable years succeeding the year, in which the credit was generated.

It is noted that the Company had not incurred qualifying R&D expenditure and hence, R&D credit was not claimed for the year ended December 31, 2021. However, if the Company incurs sufficient qualifying expenditure on qualifying R&D activities in future years, then it may be eligible to claim the R&D Tax credit in the year, in which the qualifying expenditure on qualifying R&D activities is incurred.

6. Tax treatment of interest incurred for the purposes of business activities

The federal tax law provides that interest incurred in respect of monies borrowed wholly and exclusively for the purposes of a trade carried on a company shall be deductible, to the extent of 30% of the adjusted taxable income, of the company. Adjusted taxable income means the taxable income of the taxpayer computed without regard to any business interest or business interest income, net operating loss deduction, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion.

It is noted that the Company had incurred interest expense during the tax year 2021 and the entire interest expense was allowed as a deduction as the company had generated sufficient adjusted taxable income.

7. Capital Allowances available in respect of capital expenditure on qualifying specified intangible assets

The federal tax law provides for tax relief for capital expenditure incurred on the acquisition of specified intangible assets for the purposes of trade. Capital allowances are available in respect of expenditure in respect of qualifying specified intangible assets which are acquired and put to use during the taxable year. Such specified intangible allowances are generally available over the useful life of the asset or a period of fifteen years and allowed as a deduction in arriving at the taxable business profits of a company for corporate tax purposes in the tax period of assessment. Qualifying specified intangibles are defined under the Tax Laws and can include, patents, copyright, computer software, goodwill, etc. acquired separately or as part of the asset acquisition transaction.

During the tax year 2021, the Company had claimed amortization for corporate tax purposes, on the various intangible assets acquired by the company during the tax year 2021 and in the prior years.

8. Foreign Derived Intangible Income deduction pertaining to export sales

The federal tax law provides for a deduction with respect to Foreign-Derived Intangible Income (FDII). FDII provisions allows a certain deduction to the company for a percentage of income generated from sales abroad. The FDII is calculated by multiplying deemed intangible income by the foreign derived ratio. The foreign derived ratio is the ratio of the

corporation's Foreign-Derived Deduction Eligible Income over Deduction Eligible Income for the year. FDII is then multiplied by 37.5% (21.875% for taxable years beginning after 2025) to arrive at the FDII deduction.

During the tax year 2021, the Company has claimed FDII deduction for the sales made outside the USA.

Possible tax benefits under the Indirect Tax Laws:

1. Sales Tax

A lot of states in the US levy sales and use tax. Also, few states allow cities to levy sales and use tax in addition to state level tax. The company files the sales and use tax returns in multiple states/cities.

The company's Sales and Use tax filings are on account of:

- Sales tax on sale of its products. It is pertinent to note that the company do not collect sales tax on sale of its products, based on the exemption provided to the products sold or the type of customers.
- Use tax on vaporizers and any other tangible personal property procured/ consumed.

The company files Sales and Use tax returns in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming states and AL-Birmingham, CO – Broomfield, CO - Ft. Collins, CO - Castle Rock, CO - Colorado Springs, CO – Denver, CO – Durango, CO – Golden, CO – Greeley, CO - Greenwood Village, CO – Lakewood, CO – Littleton, CO - Lone Tree, CO – Longmont, CO – Louisville, CO – Montrose, CO – Northglenn, CO – Parker, CO – Sterling, CO – Pueblo, CO – Westminster, WA – Tacoma Cities.

The Company claims a credit for the sales tax liability paid on the purchase of the vaporizer against the use tax liability arising on the transfer of the vaporizer from one state (state in which the vaporizer was purchased) to other state (state in which it is used).

Generally, Minnesota Care Wholesale Drug Distributor Tax applies to the wholesale sale or distribution of legend drugs in Minnesota. The company files Wholesale Drug Distributor Tax return.

2. Property Tax

A company holding any real or personal property in specific state/city is generally subject to Property tax.

The company has filed property tax returns for the year 2022 in Alaska, Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

3. Unclaimed Property

Generally Unclaimed Property Law requires banks, insurance companies, corporations, and certain other entities to report and submit their customers' property to the respective State Controller's Office when there has been no activity for a period time (generally three years).

Common types of unclaimed property are bank accounts, stocks, bonds, uncashed checks, insurance benefits, wages, and safe deposit box contents. Property does not include Real Estate.

4. Payroll Tax

The Company files federal payroll tax returns with the Internal Revenue Service. Additionally, the company has filed payroll tax returns for the year 2022 in multiple states namely – Arkansas, Arizona, California, Colorado, Georgia, Iowa, Illinois, Indiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, Montana, Ohio, Pennsylvania, South Carolina, Utah, and Wisconsin.

5. **Duty Drawback**

Manufacturing drawback is provided for in subsections (a) and (b) of the drawback law (19 U.S.C. 1313(a) and (b)). Subsection 1313(a) provides for what is called “direct identification” manufacturing drawback, in which substitution of the imported merchandise is not permitted. Subsection 1313(b) provides for substitution manufacturing drawback, in which substitution for the imported merchandise is permitted, subject to certain conditions. In both cases, the drawback is available when imported or an eligible substitute merchandise is used to manufacture an article which is exported or destroyed within 5 years of import. Drawback is limited to 99% of the duties paid on the imported merchandise designated for drawback. In substitution manufacturing drawback, any other merchandise, whether imported or domestic, of the same kind and quality as the imported merchandise may be substituted for the imported merchandise and drawback is granted on the export or destruction of articles made from the imported merchandise, the substituted merchandise, or any combination of them. In substitution manufacturing drawback, the imported merchandise and the substituted merchandise must be used in manufacture by the manufacturer within 3 years of receipt of the imported merchandise.

In 2021 the Company was approved by Customs and Boarder Protection (CBP) for duty drawback under Manufacturing Substitution. When imported duty-paid, duty-free or domestic material of the same kind and quality as the imported duty-paid designated material is used to produce the exported product, U.S. import duty may be recovered. Drawback is granted when the Company exports goods made from the imported merchandise, the substituted goods or articles, or some combination of the two. HFMOP which is the main raw material for SEVOFLURANE bottles and bulk drums.

The Company’s Supply Chain Department submits the claims to Customs through Tradewin, a brokerage firm who specializes in duty drawback programs for US companies, for all SEVOFLURANE bulk shipments under HTS 2909.19.1800.

6. **International Indirect taxes**

6.1. **Value added tax- UK**

The standard VAT rate of 20% applies to most goods and services, apart from domestic fuel and power and certain other reduced-rate supplies, which are subject to VAT at 5%.

VAT is chargeable on the supply of most goods and services made in the United Kingdom by ‘taxable persons’ during business, when their taxable turnover exceeds the registration thresholds. Taxable persons include individuals, companies, partnerships, clubs, associations, or charities.

Taxable persons who are not normally resident in the United Kingdom, do not have a business establishment in the United Kingdom, and, in the case of companies, are not incorporated in the United Kingdom, but who make taxable supplies, sales to unregistered persons in the United Kingdom, or acquisitions of goods in the United Kingdom above the relevant limits, may be required to register and account for VAT in the United Kingdom.

VAT returns must be completed at pre-set intervals (usually every three months). Larger companies may be required to file monthly returns or make monthly payments on account. All businesses are required to file VAT returns online and make electronic payments. Smaller enterprises can apply for annual returns. VAT returns are usually required to be filed 30 days after the end of the period.

The Company is currently VAT registered in UK and files the VAT returns as per the VAT rules applicable in UK.

The Company has filed the return for the period starting November 2022 to January 2023.

6.2. **Value added tax- France**

The Company purchases vaporizers medical devices used for inhalation of anaesthetic drugs, from suppliers in France and are delivered to the Company’s customers in France. The vaporizers are used by French customers free of cost and remain property of the Company once delivered in France.

The Company pays VAT on the purchase of vaporizers in France. The French VAT is reclaimed by the Company by using specific procedure dedicated to the refund of French VAT for non-EU Business called 13th Directive Claim.

A 13th Directive refund application is the scheme used by non-EU businesses to recover VAT in the European Union. It is only applicable when the applicant does not have an obligation to register for VAT in the country where VAT was incurred.

Non-EU businesses incurring French VAT in France and having full right to deduct VAT have two options to recover VAT: Either via a VAT registration when they make taxable activities in France or via a 13th Directive refund claim when they do not make taxable activities in France.

As per the 13th Directive rules, a Fiscal representative must be appointed by the Company in France, who acts as behalf of the Company towards the French tax authorities. The refund applications must be submitted before June 30 of the following year. All invoices must be added to the application form, together with a list summarizing the details of each invoice. A proxy must be signed in order to appoint a Fiscal representative.

The Company is currently in compliance with the 13th Directive as explained above

6.3. **Value added tax-Germany**

The Company also purchases vaporizers medical devices used for inhalation of anaesthetic drugs, from suppliers in Germany and are delivered to the Company's customers in France. The vaporizers are used by French customers free of cost and remain property of the Company once delivered in France.

These transactions are subject to German VAT. Regarding the German VAT charged by German supplier, in principle, as the devices leave German territory to go to France, a German VAT exemption should apply to the sale of devices as per Article 138 of EU VAT Directive 2006/112. However it is necessary to meet some requirements to benefit from this exemption and particularly for the supplier to get an EU VAT number from the Client prior to the sale.

In the present case, as the Company is not VAT registered in European Union, no EU VAT number has been communicated to the German supplier. Thus, German VAT is correctly applied on these transactions.

To be refunded of such German VAT the Company should communicate its French VAT number to the German supplier to allow him to issue amending invoices and refund the German VAT previously paid by the Company.

The Company has filed a German VAT recovery claim for vaporizers purchased in Germany and shipped to French distributors. The same is being evaluated and it is not certain to be refunded till approved the German authorities.

Notes:

1. The above benefits reflects only the current position of tax benefits available to the Piramal Critical Care Inc as presently in force and applicable as of the date of this Statement and applying to the current taxation assessment year of the Company being the financial year ending 31 December 2022.
 2. The above statement of possible tax benefits as outlined above does not constitute tax advice and is intended only as a guide to certain tax benefits under tax laws and the practice and/or application of same by the Taxing Authorities in the United States as of the date of this Statement.
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POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY PIRAMAL HEALTHCARE INC UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN THE UNITED STATES

Possible tax benefits under the Direct Tax Laws:

The legislation relevant to corporate tax is contained primarily in the Internal Revenue Code of 1986 ('IRC'), as amended by the treasury regulations and the other official tax guidance published by the Internal Revenue Service, and the tax laws of the various states.

1. Corporate Tax rate on business profits

A company, being a resident of the US, is subject to tax on its worldwide income, including any capital gains, at the regular corporate tax rate. For tax years 2022 and 2023, US resident companies are subject to tax at a corporate federal income tax rate of 21 percent.

The Company files a corporate income tax return, along with its US subsidiaries Piramal Critical Care Inc and Piramal Pharma Inc.

The Company files a state consolidated / combined corporate income tax returns, along with its US subsidiaries Piramal Critical Care Inc and Piramal Pharma Inc. in multiple states namely California, Colorado, Illinois, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, New York City, Rhode Island, Texas, and Wisconsin. The tax rates for the states, in which the Company has significant operations, vary between 3% to 10%.

Additionally, the Company files income tax return at the standalone level in the state of Pennsylvania. The tax rate in the state of Pennsylvania is 8.99%.

2. Taxation of Capital Gains

The capital gains are a part of business income for the purpose of taxability in the hands of the Company and chargeable to tax at the regular corporate tax rate. The capital loss, if any, can be set off against the capital gains. The unutilized capital losses can be carried back to each of the 3 taxable years preceding the loss year and can be carried over to each of the 5 taxable years succeeding the loss year.

During the tax year 2021, the Company had not generated any capital gain income nor incurred any capital loss.

3. Taxation of business losses

Any operating loss incurred by the company is allowed to be set off against the taxable profits (including capital gains) of the same year. The remaining loss can be carried forward and can be adjusted against the taxable profits of the future years. The net operating loss generated prior to the tax year 2018 can be carried forward to each of the 20 taxable years succeeding the loss year and can be utilized to the extent of 100% of taxable income for the year, against which the losses will be utilized. Whereas the net operating loss generated from the tax year 2018 onwards can be carried forward indefinitely but can be utilized to the extent of 80% of taxable income for the year, against which the losses will be utilized.

Since the company is a part of the US consolidated group, net operating losses generated by the company may be utilized against the profits of the other members of the group and the losses generated by the other members of the group may be utilized against the profits of the company.

An additional restriction may be imposed on the utilization of the losses if the ownership of the company undergoes a change. The restriction is imposed on the losses generated, prior to the date of change of ownership of the company.

During the tax year 2021, the Company had generated operating income and no operating losses were generated.

4. Capital Allowances available in respect of capital expenditure on qualifying plant and machinery

The federal tax laws provide for special depreciation allowance (deduction for expenditure on capital assets) equal to the applicable percentage of the unadjusted depreciable basis of certain qualified property acquired after September 27, 2017, and placed in service after September 27, 2017, and before January 1, 2027. The applicable percentage is 100% for property placed in service between September 28, 2017, and December 31, 2022, with annual 20% reductions in the applicable percentage scheduled between the tax years 2023 and 2027. In order to be eligible to special depreciation allowance, the property must be placed in service in the USA.

During the tax year 2021, the Company had neither purchased any fixed asset nor claimed any depreciation.

5. Tax treatment of interest incurred for the purposes of business activities

The federal tax law provides that interest incurred in respect of monies borrowed wholly and exclusively for the purposes of a trade carried on a company shall be deductible, to the extent of 30% of the adjusted taxable income, of the company. Adjusted taxable income means the taxable income of the taxpayer computed without regard to any business interest or business interest income, net operating loss deduction, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion.

It is noted that the Company had incurred interest expense during the tax year 2021 and the entire interest expense was allowed as a deduction as the company had generated sufficient adjusted taxable income at a consolidated level.

6. Capital Allowances available in respect of capital expenditure on qualifying specified intangible assets

The federal tax law provides for tax relief for capital expenditure incurred on the acquisition of specified intangible assets for the purposes of trade. Capital allowances are available in respect of expenditure in respect of qualifying specified intangible assets which are acquired and put to use during the taxable year. Such specified intangible allowances are generally available over the useful life of the asset or a period of fifteen years and allowed as a deduction in arriving at the taxable business profits of a company for corporate tax purposes in the tax period of assessment. Qualifying specified intangibles are defined under the Tax Laws and can include, patents, copyright, computer software, goodwill, etc. acquired separately or as part of the asset acquisition transaction.

During the tax year 2021, the Company had neither acquired any intangible property nor claimed any amortization.

Possible tax benefits under the Indirect Tax Laws:

1. Sales Tax

A lot of states in the US levy sales and use tax. Also, few states allow cities to levy sales and use tax in addition to state level tax. Since the company's activities in U.S are limited to holding investment in its subsidiaries, the company is not subject to filing of any sales and use tax returns.

2. Property Tax

A company holding any real or personal property in specific state/city is generally subject to Property tax.

Since the company does not have any holding in real or personal property, the company is not required to file any property tax returns.

3. Unclaimed Property

Generally Unclaimed Property Law requires banks, insurance companies, corporations, and certain other entities to report and submit their customers' property to the respective State Controller's Office when there has been no activity for a period time (generally three years).

Common types of unclaimed property are bank accounts, stocks, bonds, uncashed checks, insurance benefits, wages, and safe deposit box contents. Property does not include Real Estate.

Since the company does not have any unclaimed property, it is not required to file unclaimed property tax returns.

4. Payroll Tax

Employers are required by law to withhold employment taxes from their employees. Since the company doesn't have any employees, there is no requirement to file payroll tax returns with the Internal Revenue Service or any state departments.

5. Duty Drawback

Drawback is the refund of duties, certain taxes, and certain fees collected upon the importation of merchandise into the United States. Drawback refunds are only allowed upon the export/destruction of the imported merchandise or a valid

substitute, or the export/destruction of a certain article manufactured from the imported merchandise or a valid substitute. Claimants may be the importer, exporter, or intermediate party within the drawback transaction.

The duty drawback provisions are not applicable to Piramal Healthcare Inc. as the Company does not involve into any trading or manufacturing activities.

6. International Indirect taxes

6.1 Value added tax

VAT is chargeable on the supply of most goods and services made in the United Kingdom/France/Germany (countries subject to VAT) by 'taxable persons' during business, when their taxable turnover exceeds the registration thresholds. Taxable persons include individuals, companies, partnerships, clubs, associations, or charities.

Taxable persons who are not normally resident in these countries, do not have a business establishment there, and, in the case of companies, are not incorporated in these countries, but who manufacture taxable supplies, sales to unregistered persons, or acquisitions of goods in these countries above the relevant limits, may be required to register and account for VAT.

The Company is not subject to any VAT as the Company is not involved in any trading or manufacturing activities.

Notes:

1. The above benefits reflects only the current position of tax benefits available to the Piramal Healthcare Inc as presently in force and applicable as of the date of this Statement and applying to the current taxation assessment year of the Company being the financial year ending 31 December 2022.
 2. The above statement of possible tax benefits as outlined above does not constitute tax advice and is intended only as a guide to certain tax benefits under tax laws and the practice and/or application of same by the Taxing Authorities in the United States as of the date of this Statement.
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POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY PIRAMAL PHARMA SOLUTIONS INC UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN THE UNITED STATES

Possible tax benefits under the Direct Tax Laws:

The legislation relevant to corporate tax is contained primarily in the Internal Revenue Code of 1986 ('IRC'), as amended by the treasury regulations and the other official tax guidance published by the Internal Revenue Service, and the tax laws of the various states.

1. Corporate Tax rate on business profits

A company, being a resident of the US, is subject to tax on its worldwide income, including any capital gains, at the regular corporate tax rate. For tax years 2022 and 2023, US resident companies are subject to tax at a corporate federal income tax rate of 21 percent.

The Company files a corporate income tax return, along with its US parent entity PEL Pharma Inc. i.e., the Company is a part of the US consolidated corporate income tax return.

The Company files a state consolidated / combined corporate income tax returns, along with its US affiliates PEL Pharma Inc. and PEL Healthcare LLC. in multiple states namely California, Connecticut, Kentucky, Massachusetts, Michigan, New Jersey, New York, New York City, and Texas. The tax rates for the states, in which the Company has significant operations, vary between 3% to 10%.

Additionally, the Company files income tax return at the standalone level in the states of Indiana, Pennsylvania, and Lexington city. The tax rates for the states and cities, in which the Company has significant operations, vary between 2% to 10%.

2. Taxation of Capital Gains

The capital gains are a part of business income for the purpose of taxability in the hands of the Company and chargeable to tax at the regular corporate tax rate. The capital loss, if any, can be set off against the capital gains. The unutilized capital losses can be carried back to each of the 3 taxable years preceding the loss year and can be carried over to each of the 5 taxable years succeeding the loss year.

During the tax year 2021, the Company had not generated any capital gain income nor incurred any capital loss.

3. Taxation of business losses

Any operating loss incurred by the company is allowed to be set off against the taxable profits (including capital gains) of the same year. The remaining loss can be carried forward and can be adjusted against the taxable profits of the future years. The net operating loss generated prior to the tax year 2018 can be carried forward to each of the 20 taxable years succeeding the loss year and can be utilized to the extent of 100% of taxable income for the year, against which the losses will be utilized. Whereas the net operating loss generated from the tax year 2018 onwards can be carried forward indefinitely but can be utilized to the extent of 80% of taxable income for the year, against which the losses will be utilized.

Since the company is a part of the US consolidated group, net operating losses generated by the company may be utilized against the profits of the other members of the group and the losses generated by the other members of the group may be utilized against the profits of the company.

An additional restriction may be imposed on the utilization of the losses if the ownership of the company undergoes a change. The restriction is imposed on the losses generated, prior to the date of change of ownership of the company.

During the tax year 2021, the Company had generated net operating losses that can be carried forward indefinitely but can be utilized to the extent of 80% of taxable income for the year, against which the losses will be utilized.

4. Capital Allowances available in respect of capital expenditure on qualifying plant and machinery

The federal tax laws provide for special depreciation allowance (deduction for expenditure on capital assets) equal to the applicable percentage of the unadjusted depreciable basis of certain qualified property acquired after September 27, 2017, and placed in service after September 27, 2017, and before January 1, 2027. The applicable percentage is 100% for property

placed in service between September 28, 2017, and December 31, 2022, with annual 20% reductions in the applicable percentage scheduled between the tax years 2023 and 2027. In order to be eligible to special depreciation allowance, the property must be placed in service in the USA.

During the tax year 2021, the Company had claimed a 100% special depreciation allowance, for federal tax purposes, on the various tangible fixed assets acquired during the tax year 2021 and placed in service.

The treatment for such special depreciation allowance varies from state to state. While some states may conform to federal treatment, some states decouple with federal treatment.

5. Tax treatment of interest incurred for the purposes of business activities

The federal tax law provides that interest incurred in respect of monies borrowed wholly and exclusively for the purposes of a trade carried on a company shall be deductible, to the extent of 30% of the adjusted taxable income, of the company. Adjusted taxable income means the taxable income of the taxpayer computed without regard to any business interest or business interest income, net operating loss deduction, and in the case of taxable years beginning before January 1, 2022, any deduction allowable for depreciation, amortization, or depletion.

It is noted that the Company had incurred interest expense during the tax year 2021 and a portion of the expense was disallowed under IRC Section 163(j) since the company did not generate sufficient adjusted taxable income at a consolidated level during the year.

6. Capital Allowances available in respect of capital expenditure on qualifying specified intangible assets

The federal tax law provides for tax relief for capital expenditure incurred on the acquisition of specified intangible assets for the purposes of trade. Capital allowances are available in respect of expenditure in respect of qualifying specified intangible assets which are acquired and put to use during the taxable year. Such specified intangible allowances are generally available over the useful life of the asset or a period of fifteen years and allowed as a deduction in arriving at the taxable business profits of a company for corporate tax purposes in the tax period of assessment. Qualifying specified intangibles are defined under the Tax Laws and can include, patents, copyright, computer software, goodwill, etc. acquired separately or as part of the asset acquisition transaction.

During the tax year 2021, the Company had claimed amortization for corporate tax purposes, on the various intangible assets acquired by the company during the prior years.

Possible tax benefits under the Indirect Tax Laws:

1. Sales Tax

A lot of states in the US levy sales and use tax. Also, few states allow cities to levy sales and use tax in addition to state level tax. The company files the sales and use tax returns in multiple states/cities.

The company's Sales and Use tax filings are on account of:

- Sales tax on sale of its services. It is pertinent to note that the company does not collect sales tax on sale of its products, based on the exemption provided due to manufacture of medical items sold to the type of customers.
- Use tax on tangible personal property procured/ consumed.

Since the company's entire activity is based out of Kentucky, the company files Sales and Use tax return only in the state of Kentucky.

2. Property Tax

A company holding any real or personal property in specific state/city is generally subject to Property tax.

The company has filed property tax returns for the year 2022 in state of Kentucky.

3. Unclaimed Property

Generally Unclaimed Property Law requires banks, insurance companies, corporations, and certain other entities to report and submit their customers' property to the respective State Controller's Office when there has been no activity for a period time (generally three years).

Common types of unclaimed property are bank accounts, stocks, bonds, uncashed checks, insurance benefits, wages, and safe deposit box contents. Property does not include Real Estate. Since the company does not have any unclaimed property, it is not required to file unclaimed property tax returns.

4. Payroll Tax

The Company files federal payroll tax returns with the Internal Revenue Service. Additionally, the company has filed payroll tax returns for the year 2022 in Kentucky State and Fayette County.

5. Duty Drawback

Drawback is the refund of duties, certain taxes, and certain fees collected upon the importation of merchandise into the United States. Drawback refunds are only allowed upon the export/destruction of the imported merchandise or a valid substitute, or the export/destruction of a certain article manufactured from the imported merchandise or a valid substitute. Claimants may be the importer, exporter, or intermediate party within the drawback transaction.

The duty drawback provisions are not applicable to Piramal Pharma Solutions Inc. as the Company does not involve into any trading or manufacturing activities wherein the customs duty drawback rules apply.

6. International Indirect taxes

6.1 Value added tax.

VAT is chargeable on the supply of most goods and services made in the United Kingdom/France/Germany (countries subject to VAT) by 'taxable persons' during business, when their taxable turnover exceeds the registration thresholds. Taxable persons include individuals, companies, partnerships, clubs, associations, or charities.

Taxable persons who are not normally resident in these countries, do not have a business establishment there, and, in the case of companies, are not incorporated in these countries, but who manufacture taxable supplies, sales to unregistered persons, or acquisitions of goods in these countries above the relevant limits, may be required to register and account for VAT.

The Company is not subject to any VAT as the Company is not involved in any trading or manufacturing activities with respect to these countries.

Notes:

1. The above benefits reflects only the current position of tax benefits available to the Piramal Pharma Solutions Inc as presently in force and applicable as of the date of this Statement and applying to the current taxation assessment year of the Company being the financial year ending 31 December 2022.
 2. The above statement of possible tax benefits as outlined above does not constitute tax advice and is intended only as a guide to certain tax benefits under tax laws and the practice and/or application of same by the Taxing Authorities in the United States as of the date of this Statement.
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POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY PIRAMAL HEALTHCARE UK LIMITED UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN THE UNITED KINGDOM

Possible tax benefits under the direct tax laws

1. Corporation Tax

A UK resident company is subject to tax on its worldwide income, including any capital gains, at the corporation tax rate. For tax year 2022-23, UK resident companies shall be subject to tax at a corporate tax rate of 19 percent. In effect from 1st April 2023 the main rate of Corporation Tax will, be amended as follows:

Taxable profits	Tax rate
Up to GBP 50,000	19 percent
GBP 50,001 to 249,999	25 percent, subject to marginal relief
GBP 250,000 or more	25 percent

The taxable profit thresholds outlined above are divided by the number of associated entities. Marginal relief has the effect of reducing the main rate of Corporation Tax should augmented profits (which includes dividend income) are at this level. Companies whose income predominantly derives from investments will be subject to Corporation Tax at the higher rate of 25% and will not be eligible for the lower rates for Corporation Tax, or marginal relief.

The Company has filed its Corporation Tax returns on the basis that the company is engaged in the conduct of a trade in the United Kingdom and is therefore subject to a Corporation Tax rate of 19%, which subject to the above may rise to a maximum rate of 25% post 1st April 2023.

2. Corporation Tax on Capital Gain

Capital gains are considered to be part of business income and are aggregated within the company's total taxable profits, and are chargeable to tax at the corporate tax rate as stated above.

The Substantial Shareholdings Exemption may be available which exempts from tax any capital gain arising on the disposal of shares made by a company with substantial shareholdings (being at least 10%) in other companies or groups, subject to satisfaction of prescribed conditions.

Rollover relief may be available where a chargeable asset used for business purposes is disposed of and the proceeds reinvested in another qualifying business asset. The effect is to defer any, or part of the gain arising upon the disposal of the first asset until such a time as the second asset is sold.

It is noted that the Company has not made any such disposals upon which a capital gain has arisen, or made claims for relief within the preceding two years.

3. Dividends

Dividends paid by a UK resident company are not subject to withholding tax in the UK.

Dividends and qualifying distributions received by medium, or large UK resident companies from non-UK resident companies are potentially exempt from UK corporation tax if they meet the prescribed conditions, which is often the case

It is noted that the directors of the company have not declared a dividend and the company is also not in receipt of dividend income for the preceding two financial years.

4. Corporate Interest Restriction

UK resident companies are restricted on the amount of tax relief they can claim on finance interest expenditure for a given year. This is known as the Corporate Interest Restriction. In summary, the first GBP 2 million of expenditure is allowable as a tax deduction however, the company/group must meet various conditions if they wish to claim tax relief in excess of this. There are two methods to calculate a higher amount and the company is allowed to elect which one is most beneficial for a given year, the Fixed Ratio method and the Group Ratio method. The Fixed Ratio method allows for the company a deduction up to 30% of the UK group's tax-EBITDA. However, for groups can sometimes allow for higher amount of tax relief since it instead looks at the world wide group's average debt to tax-EBITDA ratio and applies this ratio to the UK group resulting in a maximum amount of finance expenses. Any disallowed finance expense is then carried forward and can potentially be utilised in a future period.

It is noted that the company has historically suffered a disallowed tax interest expense which may result in increased relief being available in the future should the net interest expense for the group in the UK exceed the de minimis limit of £2 million.

5. Loss Relief

Trading losses incurred by the Company should be set-off against the total taxable profits (including capital gains) of the same year and the remaining loss can then be carried back against the taxable profits of the year immediately preceding the year in which losses are incurred. Please note, the Finance Act 2021, introduced the potential benefit of carrying back of losses up to 3 years in respect of any loss incurred between the period 1 April 2020 and 31 March 2022, subject to a cap of GBP 2 million in each financial year. Any balance of losses which cannot be relieved in the current year, or preceding year may be carried forward to offset against total profits of the company

Losses incurred prior to 1 April 2017 which have not been utilised in the current year or carried back could be carried forward and utilised against future taxable profits subject to some restrictions depending on the type of income. However companies are restricted to only utilising brought forward losses incurred for periods after 1 April 2017, on up to 50% of the taxable profits, however this only applies on taxable profits in excess of GBP 5 million, which is known as the Deduction Allowance. This Deduction Allowance must be shared between the UK-resident group companies.

‘Group relief’ is a relief sometimes available in cases where two or more UK resident companies, where the parent company beneficially owns (whether directly or indirectly) at least 75% of the nominal issued share capital of the subsidiary company or companies or where two companies are beneficially owned at least 75% by the same parent company. In such cases in which a group exists, operating taxable profits and losses arising in the same period are allowed to be offset within the group. This is done by the company which has made the loss surrendering the loss to the profitable company. Specific rules apply to certain types of losses and in some cases losses brought forward from earlier years can be surrendered to a group company.

UK resident companies can join up to a maximum of one Capital Gains Group. To be part of a Capital Gains Group a company must be beneficially owned and under at least 75% control of another company and indirect subsidiaries must be beneficially owned with at least a 50% interest. Capital Gains Groups can transfer capital assets between group member companies at nil gain nil loss, which means that assets can be transferred between companies without any Corporation Tax implications. For a company which is a member of a capital gains group, upon disposal of an asset which results in a chargeable gain, it is possible to elect to treat the gain as arising in another capital gains group member company to utilise capital losses in that company.

It is noted that the Company has incurred Corporation Tax trading losses up to and including the tax period of assessment ended 31 December 2021. There is a balance of Corporation Tax losses carried forward as at the end of the tax period of assessment ended 31 December 2021 which should be available for offset against any future taxable trading profits which may arise as part of the ongoing conduct of the same trading activity. The carry-forward of accumulated trading losses of a company will be disallowed where there has been both a change in ownership of the company and a major change in the nature or conduct of the trade carried on.

6. Capital Allowances

UK tax laws provide for allowances such as Capital Allowances (deduction for expenditure on capital assets) at annual rates of 18% and 6% per annum dependent upon the nature of the capital asset acquired. If eligible expenditure is incurred, Annual Investment Allowance (expenditure incurred on qualifying activities such as trade or profession) is available to give full relief at 100% of the cost for the expenditure up to £1m in the year of purchase, subject to meeting the criteria for the relief.

Alternatively, enhanced First Year Allowances (“FYA”) are available which allow a 130% deduction on qualifying expenditure on new plant and machinery post 1 April 2021 until 31st March 2023. The availability of these allowances are considered only if specified conditions are met.

Certain expenditure incurred under contracts signed after 28th October 2018 in respect of structures & buildings, subject to meeting the relevant criteria can be eligible for Structures & Buildings Allowances (“SBA’s”). The rate of SBA’s between 29th October 2018 and 1st April 2020 was 2%, thereafter the relief was increased to 3%. If the structure or building is

subsequently sold, any SBA's claimed will be added to the total proceeds when computing the chargeable gain arising, and thus increase the gain upon sale.

Subject to meeting the relevant criteria, and being a qualifying asset, Research and Development Capital Allowances ("RDA's") provide a 100% deduction for capital expenditure on assets utilised solely for R&D, or on providing facilities for carrying out R&D.

It is noted that the company has incurred expenditure relating to Plant & Machinery and Structures & Buildings and has therefore made a claim for capital allowances in its Corporation tax returns. It is noted that a claim has been made for enhanced FYA's, AIA and writing down allowances of 18% in respect of capital expenditure.

7. Research & Development Tax relief

Research & Development ("R&D") expenditure relief which would be claimed by UK resident companies subject to fulfilment of specified conditions. The availability of these reliefs are considered only if specified conditions are met. As the company is considered large, the company is only eligible to claim under the large Research & Development Expenditure Credit (RDEC) scheme which gives a credit of 13% for qualifying expenditure post 1st April 2020, the credit is subject to Corporation Tax and is taxable as trading income. From the 1st April 2023, the rate of credit under the RDEC scheme will rise to 20% of qualifying R&D expenditure.

The company has correspondingly included a claim for Research & Development tax relief under the large RDEC scheme.

8. Patent Box

Patent box is a scheme under which relief can be obtained to reduce the overall rate of Corporation tax on income derived from patents, or the exploitation of patents.

It is noted the company has not made a claim for this relief.

9. Double Tax Relief

The potential for double taxation arises in a variety of situations where, under the laws of two or more jurisdictions, tax may be levied on the same income, capital gains and transfers of capital or net worth.

Relief for foreign tax suffered can in certain circumstances be claimed by the resident company via a foreign tax credit which reduces the UK corporation tax payable on the foreign income. In order to claim this relief the company must have taken all reasonable steps to reduce their foreign liability to a minimum. This includes claiming all available allowances, reductions, reliefs and deductions. Alternatively relief can be taken by way of a deduction, which reducing the amount of foreign income or gain subject to corporation tax in the UK.

It is noted that the company has taken relief for foreign tax in respect of income of the company. To comply with domestic UK law, the company has withheld tax on cross border royalty payments made by the company.

10. Foreign Branch Election

It is possible to elect to exclude profits attributable to a foreign permanent establishment of a UK resident company from the corporation tax computation. Losses attributable to a permanent establishment are similarly cancelled if the optional election is made.

An election has no effect unless a company elects for it to apply, but an election for S18A to take effect is permanent and affects all the permanent establishments of a company. For relevant accounting periods starting on or after 1 January 2013, there is no longer a requirement for the company to be UK resident prior to making an election for the exemption to apply.

It is noted that the company does not have any foreign branches.

11. Corporate Intangible Regime - Intangible Fixed Assets ("IFAs")

Most intangible assets are within the corporate intangible regime but there are some types of expenditure which are excluded completely or excluded apart from royalties derived from the intangible asset. The corporate intangible regime also interacts with other corporate tax regimes where the same expenditure qualifies for both regimes.

Debits and credits on intangible assets are generally treated for tax in the same way as they are included in the accounts but there are tax adjustments which follow similar rules for other items of expenditure. Alternatively, a company can elect to write down an intangible asset at a fixed rate instead of following the accounts.

Restrictions exist on debits which relate to goodwill or other customer-related intangible assets which have the effect of denying relief for tax purposes in line with accounting policies and instead seek to allow relief upon disposal of the asset.

Whether a debit or credit on an intangible asset is a trading or non-trading debit or credit depends on whether it relates to an intangible asset used in a trade, property business or for non-trading purposes.

Intangible assets within groups have similar tax rules as chargeable assets, and in addition, subject to meeting the necessary provisions there is also relief when intangible assets are sold and the proceeds are reinvested in other intangible assets which are similar to the chargeable asset rollover provisions. Trading debits and credits relating to IFAs form part of trade profits as they are accrued to the profit and loss account. Non-trading debits and credits relating to IFAs are pooled. If the non-trading credits exceed non-trading debits, then there is a non-trading gain on IFAs. This is chargeable to corporation tax as income. If non-trading debits exceed non-trading credits, then there is a non-trading loss on IFAs which can be set against total profits of the company, group relieved or carried forward and set against total profits of the company.

When a company leaves a group having acquired an intangible asset from another group company, a de-grouping charge may arise, there is a deemed disposal and re-acquisition at market value of any intangible fixed assets owned by the company which were transferred to it by another group member within the six years prior to the date of the company ceasing to be a member of the group, although exemptions may apply subject to meeting the relevant criteria.

Any intangible fixed assets transferred as part of a company reconstruction, including a demerger, involving the transfer of a business or part of a business are treated as transferred on a tax-neutral basis. This operates in the same way as for an intra-group transfer. The rules on intra-group transfers take precedence if the reconstruction involves a transfer within a group.

It is noted that costs in relation to products under development which consist of qualifying expenditure incurred by the Company on the external development of pharmaceutical products, which, once completed and regulatory approval received will be available for commercial use.

It is noted that the development cost of products which have been approved by regulatory bodies and are available for commercial use is being amortised in line with the company's accounting policies. Correspondingly, it is noted that relief is being taken for these costs under the intangible fixed asset regime.

12. Coronavirus Job Retention Scheme

Historically, the company has in the past claimed support under the Coronavirus Job Retention Scheme ("CJRS"), a scheme run by the UK government to contribute to the cost of furloughed employee's wages during the Coronavirus pandemic. The scheme is no longer available and no benefit will be available to the company going forward.

It is noted that the company did make use of the CJRS scheme, however will not be able to benefit in the future as the scheme is no longer available.

Possible tax benefits under the indirect tax laws

The Statement of potential indirect tax benefits outlined below is as per the provisions of UK VAT legislation (VAT Act 1994 "VATA 1994" and relevant Statutory Instruments) and the Netherlands VAT legislation (Value added Tax Act of 1968 (Wet op de omzetbelasting 1968) (the "VAT Act") as well as the decree of exclusions and other various decrees which transpose the EU VAT directive into Law). These potential indirect tax benefits are dependent on the Company fulfilling the conditions prescribed by the UK and the Netherlands legislation. Hence, the ability of the Company to derive the tax benefits is dependent at all times upon fulfilling such conditions. Failure to do so may result in an inability to claim such benefits, and/or penalties. It is understood that the UK Company Piramal Healthcare UK Limited is established and registered for VAT in the UK and the Netherlands.

1. VAT rate applicable in respect of the sale of the products manufactured by the Company.

The UK VAT legislation provides for a VAT charge at the current rate of 20% on all goods sold by a business to UK customers, unless there are specific reliefs such that a reduced rate (currently 5%), a zero rate or an exemption applies.

It is understood that the UK Company is engaged in pharmaceutical manufacturing and product distribution, selling its products and services in the UK and globally. The Company undertakes contract development and manufacturing (CDMO), specialising in APIs (active pharmaceutical ingredients) and oral solids (pills). The Company also specialises in Antibody Drug Conjugation (ADC) (medicines that deliver highly potent chemotherapy agents to kill cancer cells).

The UK VAT legislation does provide for a zero rate of VAT for the sale of certain qualifying pharmaceutical goods sold to individuals for personal use when prescribed by a qualified practitioner e.g. a doctor or registered pharmacist. However, it is understood that all the Company's sales are made direct to other third party pharmaceutical companies. It follows that we would expect all sales to UK pharmaceutical companies to attract VAT at the current rate of 20%. For sales made to non UK pharmaceutical companies, where the product being sold is exported out of the UK, we would expect the zero rate of VAT to apply.

We would expect the VAT charged by the Company on sales to third party UK pharmaceutical companies would be recoverable by those UK customers in the course of their business, and so the imposition of VAT at 20% on sales should be neutral for customers of the Company.

2. Exemption available from the imposition of VAT on the goods and services acquired by certain qualifying companies

As noted above, the UK VAT legislation provides that the sales of goods (pharmaceutical products) from the UK, which are dispatched such that they are exported, subject to certain conditions, to business customers outside the UK, can be zero rated i.e. no VAT is charged by the Company. Similarly, certain services provided to non UK business customers may not attract UK VAT.

Note that in certain circumstances, it may be possible to obtain VAT reliefs for sales of certain pharmaceutical products in cases of emergencies i.e. covid, but these would be agreed by the UK government at the time.

3. Postponed Accounting for VAT available on the importation of goods into the UK from outside the UK

The UK VAT legislation provides, with effect from 1 January 2021, for a system of Postponed VAT Accounting ("PVA") for VAT generally payable on the importation of goods into the UK. This system avoids the need to make a payment for import VAT at the time of importation, with the company accounting for any import VAT due via its VAT return. The advantage of PVA is that it gives companies a cash flow advantage. The Company should ensure it is benefiting from PVA.

The import of products into the UK may also give rise to customs duties which are non recoverable and a cost to the Company of doing business. There should be no customs duties on goods arriving from the EU which are entirely sourced from the EU. It is also likely that the customs duty rate on certain of the products is 0%, but this is very much dependent on the exact nature of the product.

4. VAT rate applicable in respect of the sale of the products manufactured by the Company

The Netherlands VAT legislation provides for three VAT rates, 0%, 9% and 0% subject to the goods and services offered or received by the company.

The Netherlands VAT legislation provides for a reduced rate of 9% to be applied for the sale and purchase of certain qualifying pharmaceutical goods sold and purchased. It follows that we would expect all sales to Netherlands companies for qualifying products to attract VAT at 9%, else 21% for non-qualifying pharmaceutical products. Similarly for purchases, we would expect all purchases from Netherlands companies for qualifying pharmaceutical products to attract VAT at 9%, else 21% for non-qualifying products.

Notes

1. These indirect tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the UK and Netherlands VAT legislations. Failure to do so may mean that certain benefits are not available and may incur penalties.
2. The indirect tax benefits considered in the Statement are not exhaustive and this note is only intended to provide general information to investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. This Statement is only intended to provide general information to guide investors and is neither designed nor intended to be a substitute for professional tax advice. Any potential future investor in the equity of the ultimate parent Piramal Pharma Limited is advised to consult their own tax consultants with respect to the specific tax implications arising out of their participation in the initial public offering.
3. The Statement is prepared on the basis of information provided by the Management of the Company and there is no assurance that:
 - I. The Company will continue to obtain these benefits in future;
 - II. The conditions prescribed for availing the benefits have been / would be met with; and
 - III. The revenue authorities / courts will concur with the view expressed herein.

The above views are based on the existing provisions of law, the interpretation and applicability of which may be subject to change from time to time.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX BENEFITS/CONSEQUENCES. THE NOTE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

We officially engaged CRISIL in connection with the preparation of the report titled “Assessment of global and Indian pharmaceutical market” issued in January, 2023 read with the supplementary report titled “Assessment of global and Indian pharmaceutical market” issued in June, 2023 (the “**CRISIL Report**”) pursuant to an engagement letter dated February 14, 2023. The information in this section is derived from the CRISIL Report. We commissioned and paid for the CRISIL Report for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated February 14, 2023. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant year.

While preparing its report, CRISIL has also sourced information from publicly available sources, including our Company’s financial statements that are publicly available. However, unless stated otherwise or the context otherwise requires, the financial data in this Letter of Offer is derived from the restated consolidated financial information of our Group which includes our Group’s share of profit in its associates and joint venture, which comprises of the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the years ended March 31, 2023 and March 31, 2022, and for the period from March 4, 2020 to March 31, 2021, and the summary of significant accounting policies and other explanatory information, prepared in terms of the requirements of (i) Section 26 of Part I of Chapter III of the Companies Act; (ii) the SEBI ICDR Regulations; and (iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Letter of Offer.

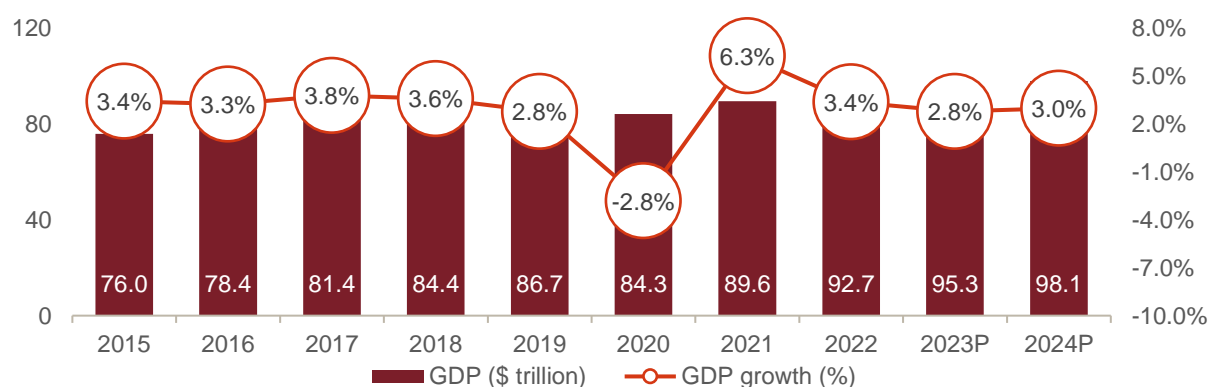
Macroeconomic assessment

Global gross domestic product (GDP) growth to moderate at 3.2% in 2022 and 2.7% in 2023 amid the Russia-Ukraine conflict, elevated inflation and slowdown in major economies.

As per the International Monetary Fund’s (IMF) October 2022 update, global growth is expected to moderate from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is 0.2 percentage points lower for 2023 than projected in July 2022. Economic slowdown is expected mainly due to the cost-of-living crisis caused by persistent and broadening inflation pressures, the Russia-Ukraine conflict and the slowdown in China. According to the IMF, Russia’s invasion of Ukraine continues to powerfully destabilise the global economy. It has led to a severe energy crisis in Europe that is sharply increasing costs of living and hampering economic activity. Gas prices in Europe have increased more than four-fold since 2021, with Russia cutting deliveries to less than 20% of the 2021 levels, raising the prospect of energy shortages.

Also record high inflation in the past four decades for the United States (US) and some of the major European economies is expected to hit the world economy. Persistent and broadening inflation pressures have triggered rapid and synchronised tightening of monetary conditions, alongside powerful appreciation of the US dollar against most other currencies. In addition, frequent and wide-ranging lockdowns in China have slowed activity as it is a major manufacturing hub, which could cause new bottlenecks in the global supply chain.

Trend and outlook for global GDP (2015-2023P, \$ trillion)



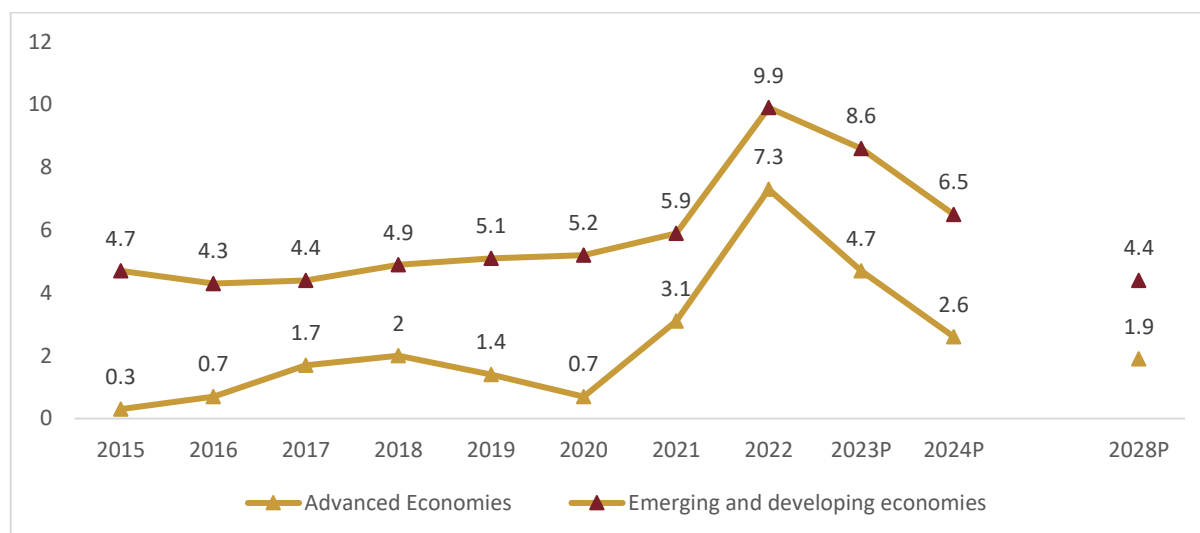
Note: P: Projection

Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

Global inflation to remain elevated in the medium term

As per the IMF, inflation have shown declining trend from mid-2022 although it still remain elevated and the monetary policy stance by the central bank is expected to remain restrictive for longer in the medium term to tackle sticky inflation. For 2023, inflation is estimated at 4.7% in advanced economies and 8.6% in emerging market and developing economies. This is 0.1 and 0.5 percentage points higher than projected in IMF's January 2023 forecast for advanced economies and emerging economies respectively. Although a gradual resolution of supply-demand imbalances and a modest pickup in labour supply are expected in the baseline, easing price inflation eventually.

Trend and outlook on consumer prices



Note: P: Projection

Source: IMF, CRISIL MI&A

Global per capita GDP

Global GDP per capita logged 3.7% CAGR between 2016 and 2022, as per IMF data. In the case of India, it was ~5.6% CAGR between 2016 and 2022. From 2022 to 2025, the IMF projects global per capita GDP to grow at ~4.2% CAGR. During the period, India's per capita GDP is expected to sustain a higher growth trajectory of ~8.2% CAGR. India's per capita GDP is expected to rise the fastest by 2025 among the key economies.

India regained the top spot as the world's fastest growing economy in 2021 among key nations

India was one of the fastest-growing economies in 2018 and 2019. In 2020, all countries, including developed ones such as the US and the United Kingdom (UK), except China, saw their GDP contracting due to the pandemic impact. India's GDP shrank 5.8% in fiscal 2021 (financial year: April-March). In 2021, GDP growth of all major economies rebounded as economic activities resumed and also due to the low base of 2020. Among the major economies, India, with a growth rate of ~9.1%, was the fastest growing in 2021, followed by China with 8.4% in 2021. The country also overtook the UK as the fifth largest economy in the world in the April-June quarter of 2022 and register GDP growth of 6.8% in 2022. Going ahead, India is expected to grow faster than China in 2023 and 2024. The country also overtook the UK as the fifth largest economy in the world in the April-June quarter of 2022. India's GDP is expected to grow at 5.9% in 2023 and 6.3% in 2024 as per the IMF forecast.

Real GDP growth by geographies

Regions	2017	2018	2019	2020	2021	2022P	2023P	2024P
US	2.3	2.9	2.3	-2.8	5.9	2.1	1.6	1.1
Euro area	2.6	1.8	1.6	-6.1	5.4	3.5	0.8	1.4
UK	2.4	1.7	1.6	-11.0	7.6	4.0	-0.3	1.0
China	6.9	6.8	6.0	2.2	8.4	3.0	5.2	4.5
Japan	1.7	0.6	-0.4	-4.3	2.1	1.1	1.3	1.0
India*	6.8	6.5	3.9	-5.8	9.1	6.8	5.9	6.3
World	3.8	3.6	2.8	-2.8	6.3	3.4	2.8	3.0

Note: P: Projection as per IMF update

*Numbers for India are for financial year (2020 is FY21 and so on) and as per IMF forecast. CRISIL GDP forecast for India: FY22: 9.1%, FY23: 7.2% and FY24: 6.0%

Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

Global growth is projected to slow as central banks in major economies withdraw easy monetary policies to tackle high inflation. This would imply lower demand for our exports. High commodity prices, along with depreciating rupee, indicate higher imported inflation.

And while domestic demand has stayed relatively resilient so far, it would be tested next year by weakening industrial activity. pressure from increasing transmission of interest rate hikes to consumers as well. Also, rural income prospects remain dependent on the vagaries of the weather. Therefore, increasing frequency of extreme weather events remains a key monitorable.

India's per capita GDP grows faster than global average

Global GDP per capita clocked a CAGR of 1.5% between 2012 and 2021, as per the IMF data. Meanwhile, India's corresponding figure registered a CAGR of 4.3%.

Per capita GDP at constant prices

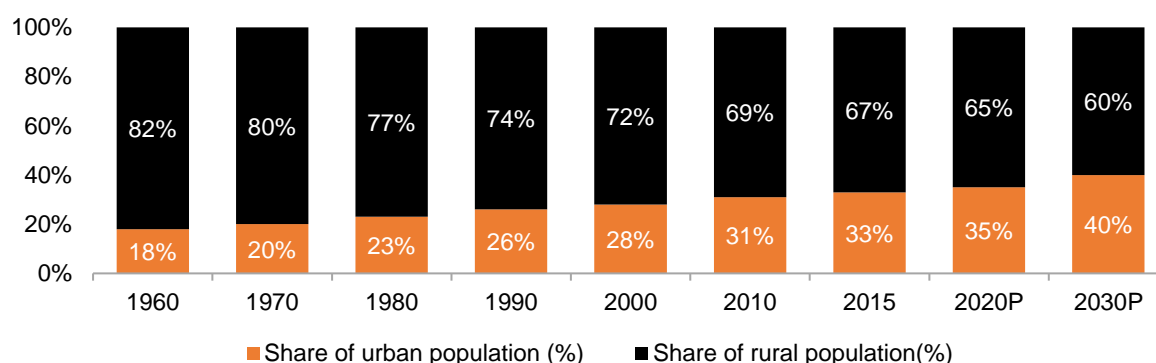
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	CAGR 2012-2021
India per-capita GDP at constant prices (\$)	1,347	1,416	1,503	1,606	1,719	1,817	1,914	1,966	1,818	1,961	4.3%
World per-capita GDP at constant prices (\$)	9,709	9,863	10,043	10,232	10,396	10,625	10,853	11,019	10,549	11,057	1.5%

Source: World Bank data, CRISIL MI&A

Urbanisation in India likely to reach 40% by 2030

India's urban population has been rising over the years and is expected to continue with rise in economic growth. From ~31% of the total population in 2010, it is projected to rise to nearly 40% by 2030, according to a UN report on urbanisation.

India's urban vs rural population



P: projected

Source: World Urbanization Prospects: The 2018 Revision, UN, CRISIL MI&A Research

People from rural areas move to cities for better job opportunities, education, and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the other members continue to live in their rural home.

Overview of global and India's healthcare expenditure

Global healthcare spending has been rising in sync with economic growth. As the economy grows, public and private spending on health grows, too. Also, increase in sedentary work has heightened the risk of chronic diseases, which is also raising healthcare spending. This is evident specifically in fast growing economies. The US, the UK, France and Germany are the top four nations with the highest expenditure on healthcare as a percentage of GDP.

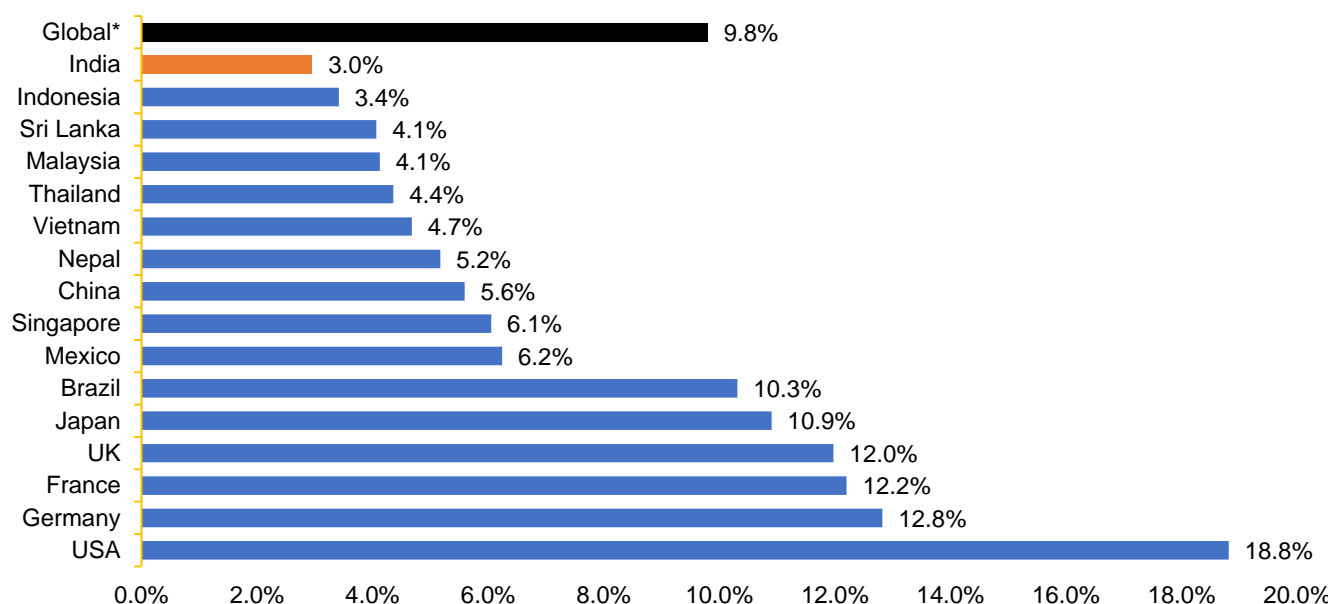
As per Global Healthcare Expenditure Database compiled by the World Health Organization (WHO), global expenditure on healthcare increased over 2011-2019. Globally, healthcare expenditure as a percentage of GDP increased from 9.4% in 2011 to 9.8% in 2019, due to availability of better medical facilities, advancements in medicine and increase in disposable income.

In CY 2020, India's expenditure on healthcare was 3.0% of GDP; it trails not just developed countries such as the US and the UK, but also developing countries such as Brazil, Nepal, Singapore, Sri Lanka, Malaysia and Thailand.

Further, India's public spending on healthcare services is much lower than that of its global peers. For instance, India's per-capita expenditure on healthcare (at an international dollar rate, adjusted for purchasing power parity) was only USD 57 in 2020 vs the USD 11,702, the UK's USD 4,927 and Singapore's USD 3,537.

India lags peers in healthcare expenditure

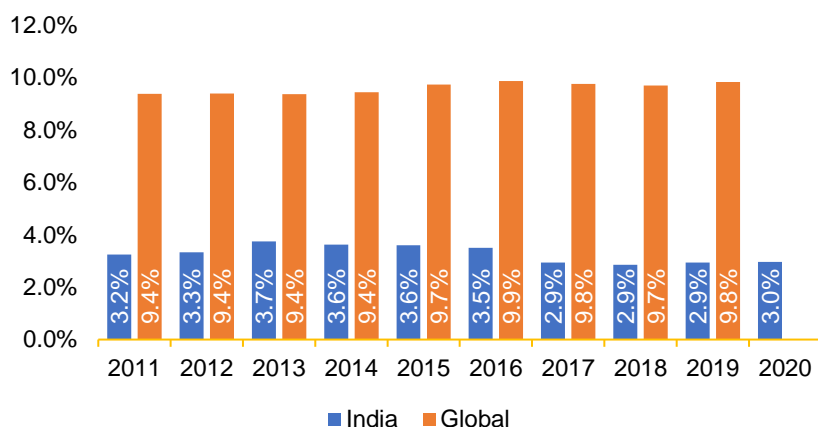
Healthcare expenditure as % of GDP (2020)



Source: Global Health Expenditure Database-WHO, CRISIL MI&A Research

Note: *Global data is as of 2019

Current healthcare expenditure as % of GDP India vs global



Source: Global Health Expenditure Database-WHO, CRISIL MI&A Research

Note: Global CHE as % of GDP not available for 2020

Per-capita current expenditure on health in \$ (2020)

India	57
China	583
Brazil	701
Korea	3,031
Singapore	3,537
UK	4,927
Japan	4,388
France	4769
Australia	5,901
Germany	5,930
Canada	5,619

US	11,702
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Source: Global Health Expenditure Database-WHO, CRISIL MI&A Research

Note: Global CHE as % of GDP not available for 2020

Pharmaceutical care is constantly evolving, with many novel drugs entering the market. These offer alternative treatments, and in some cases, the prospect of treating conditions previously considered incurable. However, the cost of new drugs can be very high, with significant implications for healthcare budgets.

Pharmaceutical spending of key countries

Country	CHE as % of GDP (2020)	Pharmaceutical as % of health spending (2020)
US	18.8%	11.0%
Canada	11.0%	14.4%
UK	12.0%	11.8%
Germany	12.8%	13.7%
Spain	10.7%	15.1%
Italy	9.6%	17.9%
France	12.2%	13.3%
Brazil	10.3%	18.2%^
Australia	10.6%	12.3%^
Mexico	6.2%	21.5%
Korea	8.4%	19.9%
India*	3.0%	33.8%

Note:

1) CHE: current healthcare expenditure.

2) *Pharmaceutical spending as % of CHE is as per the NHA estimates 2021.

3) Pharmaceutical spending as % of health spending as per OECD data. 4)^ Data as of 2019.

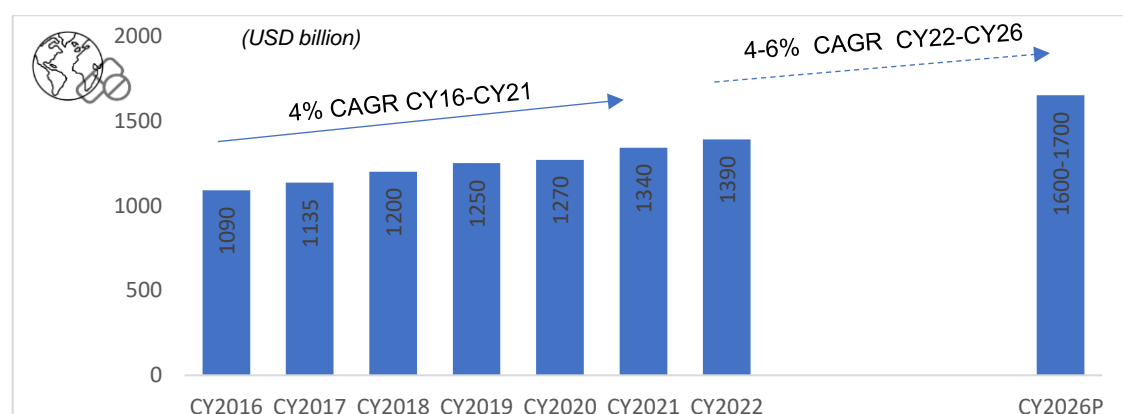
Source: Global Health Expenditure Database-WHO, World Bank database, OECD, CRISIL MI&A Research

Overview of Global Pharmaceutical market

Global pharmaceutical market to grow at steady 4-6% CAGR from 2022 to 2026

Global pharmaceutical market has grown at a CAGR of 4% from approximately US\$ 1,090 billion in calendar year 2016 to approximately US\$ 1,390 billion in calendar year 2022. The global market witnessed some moderation after seeing high growth in the year 2021 following a significant rebound in 2021 as markets recovered from the pandemic. It is expected to sustain similar growth over the next five years to reach approximately US\$1,650 to 1,700 billion in calendar year 2026. Globally, pharmaceutical companies are offering drugs for customized treatment and precision medicine for different diseases, which aims to provide medical care according to the patient's individual characteristics, needs, preferences, and genetic makeup.

Global pharmaceutical market by value



P: Projected

Source: Mordor Intelligence, Pharma Company reports, CRISIL MI&A

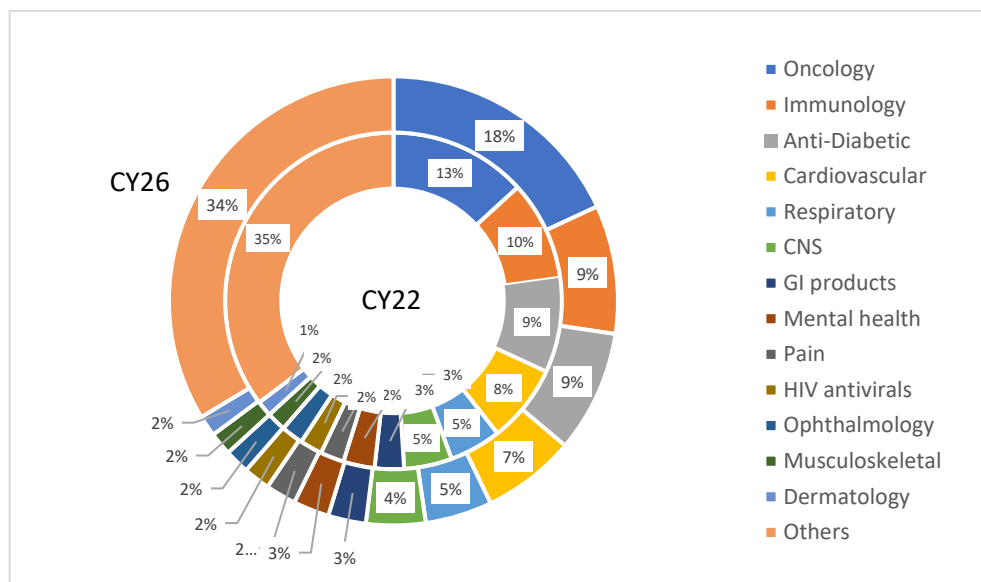
Significant R&D spends and penetration of specialty drugs to continue to boost pharmaceutical growth across major markets like US and Europe

The entire global pharmaceutical and pharmaceutical industry invested an estimated ~USD 240 billion in research and development (R&D) in CY21 which was ~15% higher compared to CY20. As per Pharmaceutical Research and Manufacturers of America (PhRMA), the United States biopharmaceutical industry has been one of the world leaders in the development of new medicines and spent approximately ~USD90 billion in research and development activities.

Increasing R&D expenditure by global players is expected to lead to development of innovative and speciality medicines in the treatment of various diseases. Globally, the number of clinical trials has been increasing with the increasing prevalence of chronic diseases, and the growing demand for clinical trials in developing countries is also fuelling the market's growth. The global market is also driven by a rising number of biologics. The need for orphan drugs and the demand for advanced technologies, globalization of clinical trials, and technological evolution to conduct clinical trials are further projected to drive the pharmaceutical market growth.

The emerging economies in Latin America and Asia-Pacific such as Brazil, China and India are also witnessing rapid growth in the market and research leading to a gradual shift of economic and research activities from Europe to these fast-growing markets.

Therapeutic segmentation of pharma market



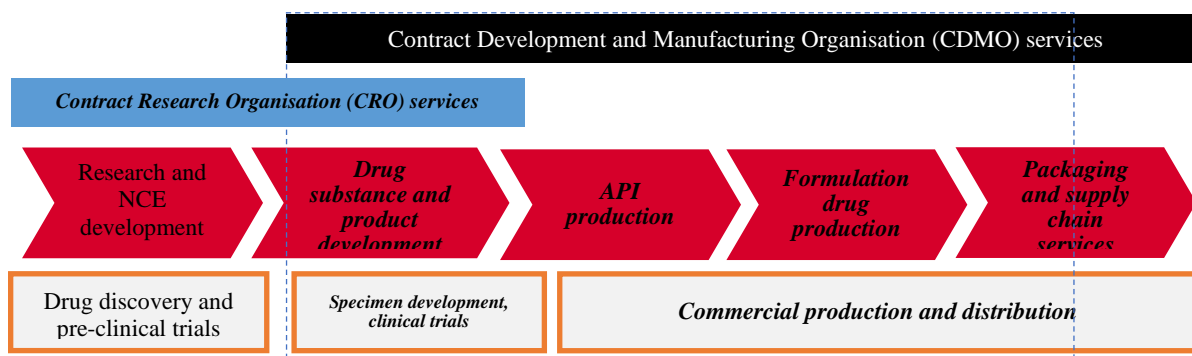
Source: Pharma industry and company reports, CRISIL MI&A

Contract Development and Manufacturing Organisation (CDMO)

Contract Development and Manufacturing Organisation (CDMO) has emerged as a viable model for the global pharmaceutical industry. With increasing globalisation and focus of large players on cutting costs and optimising operations, CDMOs have seen significant acceptance in the industry worldwide over the past few years. With the growing demand for generic medicines and biologics, focus on reducing time to market (TTM), the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential benefits of contract development and outsourcing manufacturing activities. Pharmaceutical companies are gradually outsourcing research and development (R&D) activities to academic and private Contract Research Organizations (CROs) to reduce drug-development timelines and costs.

Pharmaceutical companies are partnering with manufacturing facilities in the emerging countries, due to the availability of skilled, low-cost manpower and quality data. Cost-cutting, chasing innovation, gaining access to specialised knowledge and technology, lower capex spend, increasing speed and agility are some of the significant factors encouraging the pharmaceutical companies to expand the level of drug development outsourcing. With increasing outsourcing activities, contract manufacturing companies are likely to gain advantages over in-house manufacturing facilities.

Overview of CDMO services



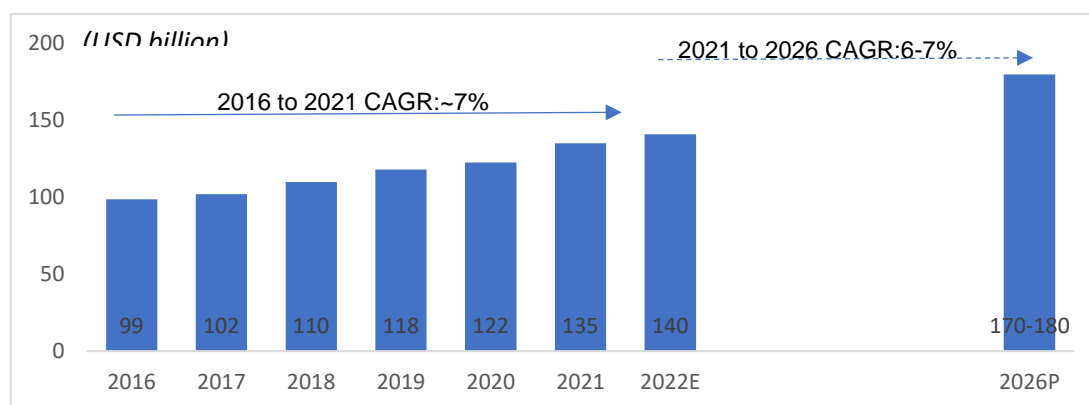
Contract research organisation (CRO) and CDMO offer outsourcing services to pharmaceutical research, development and manufacturing. CROs typically support pharmaceutical companies for drug and new chemical entity (NCE) development and clinical research and trials. CROs carry out patient recruitment for clinical trials, clinical monitoring, analytics of the data collected, biostatistics and regulatory consultations. CDMOs which offers drugs development includes companies which conduct clinical trials, develop a specimen copy of the finished formulation, offer generic drug development for drugs going off-patent. Usually the drugs marketing companies transfers the process technology to the CDMOs and CDMOs conduct the development and manufacturing activities on behalf of drug marketing company.

Global CDMO market to grow at a 6-7% CAGR from 2022 to 2026

In value terms, global CDMO market grew at a CAGR of 7% from approximately USD 99 billion in 2016 to approximately USD 135 billion in 2021. As compared to a CAGR growth of 4-5% for the global pharmaceutical industry across the same period, the CDMO industry grew at a faster pace, indicating increase in willingness for outsourcing. Accordingly, the growth of CDMO market is expected to be not only attributed to the growth in the overall pharmaceutical industry, but also due to the shift towards outsourcing.

The global CDMO market is estimated at ~USD 140 billion in the year 2022 and market is expected to reach USD 170-180 billion by 2026, due to robust growth in the outsourcing space, aided by pharma players outsourcing their research and manufacturing to specialised contract manufacturing players.

Review and outlook on global CDMO market

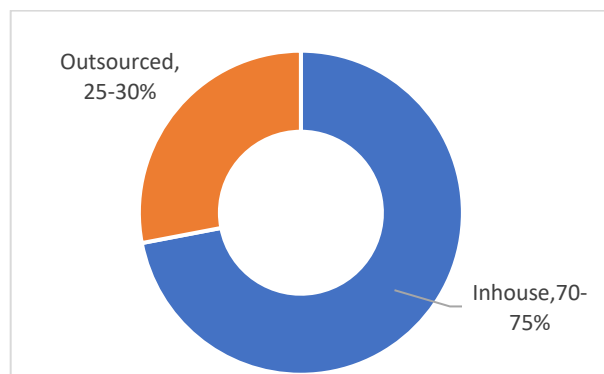


P-Projected
Source: CRISIL MI&A

Penetration of CDMO estimated around 25-30%, presents opportunity for further penetration with rise in

The global CDMO market is expected to grow to USD 170-180 billion by 2026 at a CAGR of 6-7%, outpacing growth in the underlying pharmaceutical market. Consequently, penetration of the CDMO market is set to increase steadily from 25-30% in 2021 to 30-32% in 2026. This evolution is driven by an increasing incidence of drug development and manufacturing outsourcing and ongoing divestment of non-core manufacturing facilities by pharma and biotech companies.

Extent of outsourcing in global pharmaceutical market 2022



Source: CRISIL MI&A

Global CDMO market dominated by API segment

API production is the largest segment of the CDMO market, accounting for 75-80% in global revenue in 2022. Many of the established CDMOs are active in the API development and manufacturing space. Regional manufacturing hubs like India and

China have established themselves as the preferred destinations for outsourcing API development and manufacturing. Formulations or drug products manufacturing is also seeing traction in the recent years with many players outsourcing their finished drug products manufacturing activities to the CDMO players. Pharmaceutical companies are increasingly outsourcing low volume formulations, such as niche and orphan drugs, thus reducing fixed costs for them.

Product-focus wise segmentation of global CDMO market 2022



Key growth drivers for the CDMO industry

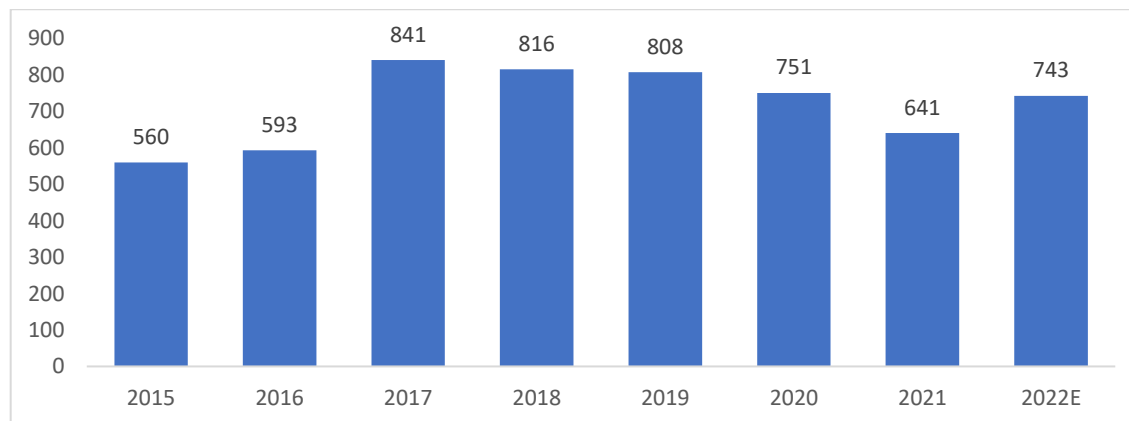
Growth in global pharmaceuticals market

The global pharmaceuticals market clocked a ~5% CAGR between calendar years 2016 and 2021. The industry is expected to sustain this growth over the next five years to reach approximately USD 1,700 to 1,800 billion in 2026, clocking a 4.5% to 5% CAGR between calendar years 2021 and 2026. With the growing pressure to develop and supply drugs in the competitive and high-investment cost pharmaceuticals market with increasing global pharmaceutical demand, pharmaceutical companies are increasingly opting for outsourcing opportunities. This helps the companies manage complexity while reducing time to market, costs and risk.

Growing demand for generics and biologics

The growing demand for generic medicines and biologics, which is evident from increasing number of ANDA approvals from regulatory bodies like USFDA have aided the penetration of generic medicines in the regulated markets. In light of the capital-intensive nature of the business and the complex manufacturing requirements, many pharmaceutical companies have identified the potential profitability in contracting with contract manufacturing outsourcing organisations for formulation manufacturing. Pharmaceutical companies are also outsourcing R&D activities to academic and private contract research organisations (CROs) to reduce drug development timelines and costs.

ANDA approvals



Source: USFDA, CRISIL MI&A

Greater flexibility, reduced costs in the business models of large pharma companies

Pharmaceutical companies are partnering with manufacturing facilities in emerging countries to access skilled, low-cost manpower and quality data. Lower costs, greater innovation, access to specialised knowledge and technology, and increased speed and agility are some significant factors encouraging pharma companies to expand their level of drug development outsourcing. Also pharmaceutical companies are increasingly outsourcing low volume formulations, such as niche and orphan drugs, thus reducing fixed costs for them.

Rise in number of drug approvals

An increase in drug approvals by regulatory bodies is expected to fuel pharmaceutical formulation manufacturing activities. For instance, the USFDA approved 59 drugs in 2018, 48 in 2019, 53 in 2020 and 50 in 2021. These new drug approvals are expected to accelerate drug development outsourcing market demand as outsourcing allows the pharmaceutical clients to expand their technical resources without increased overhead. Furthermore, a large number of ongoing clinical trials have created numerous growth opportunities in the market for pharmaceutical manufacturing. For instance, according to the National Clinical

Trials (NCT) Registry, as of Jan 2023, there were more than 439,527 ongoing clinical trials worldwide across different phases of development for the treatment of several disorders.

Details on new drugs approval

Sr. No.	Year	Number of new products approved
1	2018	59
2	2019	48
3	2020	53
4	2021	50
5	2022	37

Source: USFDA, CRISIL MI&A

Increase in off-patent products to aid outsourcing segment

The patent protection expiration of effective drugs is one of the factors driving the formulation development outsourcing market's growth. The patent cliff will result in cheaper generic versions in the market, which will increase the demand for outsourcing. The expiry of patents for original products presents opportunity for generic companies and partner CDMO firms to launch generic versions of the products. The number of products going off patents in the United States from calendar years 2022 to 2027 are set out below:

Details on new drugs going off patent

Sr. No.	Year	Number of products going off patent
1	2023	346
2	2024	406
3	2025	253
4	2026	183
5	2027	118

Note: Number of products going off-patent indicated the products which lose market exclusivity
Source: USFDA orange book files, CRISIL MI&A

Key trends in the CDMO industry

The Covid-19 pandemic impact

The COVID-19 pandemic brought in operational challenges for the pharmaceuticals industry and its ability to continue to supply essential medicines across the globe. At the same time, it offered market opportunities for the pharmaceuticals industry in terms of providing Covid-19 treatment and vaccines. A number of CDMOs signed Covid-19 vaccine manufacturing agreements with vaccine development companies to scale up the manufacturing process and fast-track global vaccine delivery.

Increasing demand for diversified sourcing for supply stability

Recently, regulatory authorities across the world have strongly recommended pharmaceutical companies secure a source for stable drug production. For example, the USFDA requested pharmaceutical companies to establish a contingency plan, believing that supply stability cannot be guaranteed in case the drug is manufactured at a single site. Accordingly, pharmaceutical companies are making use of CDMOs to run multiple manufacturers for a single drug.

CDMOs are shifting their business model in response to a changing environment

CDMOs in the past operated on business model which focused on external services such as manufacturing established pharmaceuticals. CDMOs added manufacturing capacity by investment or by the acquisition of facilities from pharmaceutical companies. However, CDMOs now are increasingly focusing on innovation and are covering more areas of the pharmaceutical business than just manufacturing, adding additional revenue streams. Using acquisitions to expand business capabilities, CDMOs are able to deliver technically advanced services at scale. They are also investing in developing specialised manufacturing capacities for example novel modalities of cell therapies, gene therapies or mRNA therapies and innovative vaccines for viral vectors, cell manipulation, as well as nucleic acids and lipid-based formulations. Thus, CDMO market is growing not just by manufacturing outsourcing revenue but also by catering to specialised manufacturing capabilities and focusing on research and development area of pharmaceutical value chain.

Key M&A in global CDMO market

Sr. No.	Acquirer	Target	Year
1	Lonza	Capsugel	2016
2	Recipharma	Kemwell Biopharma	2016
3	Thermo Fischer Scientific	Patheon	2017
4	Catalent	Cook Pharma	2017
5	Cambrex corporation	Halo Pharma	2018

Sr. No.	Acquirer	Target	Year
6	Cambrex corporation	Avsita Pharma	2018
7	Thermo Fischer Scientific	Brammer Bio	2019
8	Catalent	Paragon Bioservices	2019
9	Catalent	Delphi	2021
10	Catalent	Metrics, Inc.	2022
11	Recipharma	Arranta Bio Holdings, LLC	2022

Source: CRISIL MI&A

Overview of major players in the global CDMO industry

Global CDMO market is highly fragmented with a large number of smaller players

Currently, the global CDMO market is characterised by high levels of fragmentation. Majority of the players in the market have annual revenue of less than USD 50-100 million. The CDMO industry is highly fragmented with many small players and few large players. It is expected that the global CDMO industry will undergo a significant degree of consolidation in the future as pharmaceutical companies prefer to work with fewer suppliers in order to achieve better accountability and quality assurance.

Overview of major players in the global CDMO industry

Companies	Business overview	Plant locations
Lonza	Key Services/products offered: Small molecule, Mammalian and microbial Cell and gene technologies	Across the globe
Catalent*	Key Services/products offered :Protein, cell, and gene therapy biologics; and consumer health products.	USA, Europe
Recipharma	Services/products offered: Sterile fill and finish, small molecule API, vaccine manufacturing	USA, Europe, India
Boehringer Ingelheim BioXcellence (Patheon)	Services/products offered: Small & large molecule development, oral solids, steriles and softgels	USA, Europe, China
Siegfried	Services/products offered: Oral solids, Steriles, Ophthalmic, Inhalation capsules	USA, Europe, China
Cambrex corporation	Services/products offered: Generic API, Conventional dosage forms, Analytical services	USA, Europe
Aenova group	Services/products offered: Manufacture of Solid, Semi-solids, Steriles and Packaging	USA, Europe
Piramal Pharma Ltd#	Services/products offered: Manufacture of API and formulation products	North America, Europe, India

Source: Company annual reports and websites, CRISIL MI&A

Overview of Global complex generics market

As per the definition by USFDA, complex generics are products that have complex active ingredients, formulations, dosage forms, or routes of administration, or are complex drug-device combination products. Generics of complex brand name drugs (i.e., reference listed drugs) are usually more difficult to develop and requires deep understanding and development process which has often acted as a key entry barrier for players entering the complex generic space. Specialty drugs are high-cost prescription medications used to treat complex, chronic conditions such as cancer, rheumatoid arthritis, and multiple sclerosis. They can be used in rare or orphan disease indications. It may have unique storage or shipment requirements and might require additional patient education, adherence, and support beyond traditional dispensing activities.

With declining opportunity in the conventional generics segment and pricing pressures on the existing portfolios, it has become important for generic players to look at high-value and high-margin drugs. Players have been developing niche products in order to weather the impact of pricing pressure. Number of niche product launches during fiscals 2019 and 2020 have been high in comparison to previous years. Some of the leading global generic companies has a major pipeline of specialty drugs in order to mitigate the impact of base erosion in the US.

Complex generics drugs overview

Parameter	Details
Complex active ingredients	Complex mixtures of APIs, polymeric compounds, peptides, naturally sourced ingredients
Complex formulations	Liposomes, suspensions, emulsions, gels, parenteral microspheres, colloids
Complex routes of delivery	Locally acting such as ophthalmic, dermatological, locally acting GI drugs and inhalational drugs
Complex dosage forms	Long acting injectables and implants
Complex drug-device combinations	Metered Dose Inhalers, nasal sprays, dry powder inhalers and transdermal

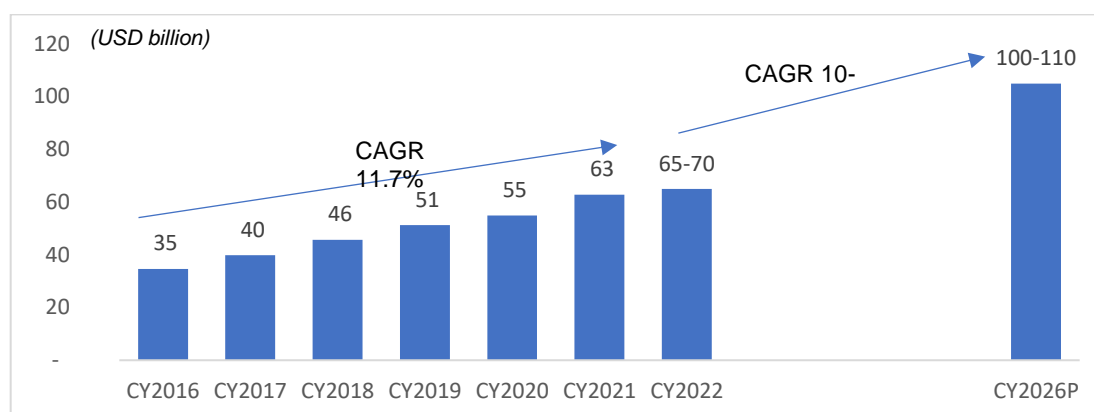
Source: USFDA, CRISIL MI&A

Global complex generics market to grow at healthy ~10-12% CAGR from 2021 to 2026

The global complex generics market was valued at USD 65-70 billion in 2022 growing at 11.7% CAGR from 2016 to 2022 and is expected to reach USD 100-110 billion by 2026, registering a CAGR of ~10-12% during the period of 2022-2026. The rising R&D trends, novel drug delivery systems, the growing demand of shifting toward the development of complex molecules used in novel formulations and targeting niche therapeutic areas are likely to boost the global complex generics market.

In the global complex generics market, the complex hospital generics constitutes majority of the market with share of approximately 70-80% with retail forming the rest. Anaesthesia, Pain management, Blood-related, Anti-infective are some of the key therapy areas in the complex hospital generics market.

Review and outlook of global complex generics market



Note: P-Projected

Source: CRISIL MI&A

Overview of inhalation anaesthesia and intrathecal therapy areas

Inhalation anaesthetics (halothane, isoflurane, desflurane, sevoflurane, most used agents in practice today) are used for induction and maintenance of general anaesthesia. Inhalation anaesthesia is one of the key therapy areas catered in the global complex generics market. Development of these molecules in the generics space has been a challenge owing to need for specific vaporizers for administration and large capex investments.

Intrathecal therapy area has gained prominence over the recent years for the treatment in which drugs are injected into the fluid-filled space between the thin layers of tissue that cover the brain and spinal cord. Some of the key molecules which has the complex generic available in the market includes baclofen injection and morphine sulfate injection. The development of generics in this critical therapy area has been important in terms of providing affordable healthcare to patients.

Key growth drivers for global complex generics market

The global complex generics market is expected to be driven by the following factors:-

Increasing research activities in complex generic space

Research and development has been a key factor in developing novel drugs. In the recent years pharmaceutical companies have been streamlining their R&D activities to focus on more value-added drugs like complex generics. Industry players have been focusing their R&D activities to cater to these types of products in specialty and complex drugs. To have a defined framework for research and allied activities in complex generic development, US drug regulator USFDA have also listed key guidelines and have collaborated with institutes like The Centre for Research on Complex Generics which carries out specific activities in the complex generics space.

Increased share of complex ANDAs

The complex generics have seen increased traction in the recent years especially in the regulated markets like USA and Europe.

As of 2021 approximately 13-15% of all the ANDA approvals have been complex ANDAs. This shows there is plenty of potential for complex generic to penetrate these regulated market. Also with share of specialty drugs increasing in overall global pharmaceutical market, the share of complex generic ANDA is expected to increase going ahead.

Number of products going off patent

The patent protection expiration of effective drugs aids the growth of generics formulation market. Pharmaceuticals players across globe track the patent exclusivity of the key drugs as research and development activities for these drugs start well in advance. The time-to-market of new products is an important source of pharmaceutical player's competitive advantage. Generic pharmaceutical companies in particular tend to improve their market position by being first in the market when a patent on an original product expires. The expiry of patents for original products presents opportunity for generic companies to launch generic versions of the products. The number of products going off patents in the United States from calendar years 2022 to 2027 are set out below:

Details on new drugs going off patent

Sr. No.	Year	Number of products going off patent
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Source: USFDA orange book files, CRISIL MI&A

Assessment of Indian OTC drugs market

Overview of Indian OTC drugs industry

Introduction to Over-the counter (OTC) Drugs



As per the definition of USFDA Over-the-Counter (OTC) medicines are the drugs which are legally allowed to be sold by pharmacists without any need for a prescription. These drugs can be purchased by consumers from any pharmacies, retail store, supermarkets and online pharmacies without a prescription of register Medical practitioner and retailers also don't need drug licence to sell these medicine.





The usage of OTC drugs has grown steadily in the last few years in India. Mainly due to the reasons such as easy availability, affordability, and increased awareness. These drugs allow faster and cheaper access to healthcare; however, their misuse and adverse health effects are a matter of concern.

Some of the common ailments which witness high usage of OTC products are acidity, indigestion, constipation, diarrhoea/dehydration, cold & cough, allergy – nasal, headache; joint pain, back ache, menstrual pain, body ache, fever; dental pain, rashes/ring worm, acne, feminine/intimate hygiene, cuts/ burns/ wounds, allergy-skin, dry skin/eczema, weakness/tiredness, immunity-related, bone health; anaemia, eye strain, sleeplessness, smoking control etc.

OTC drugs are categorized under different therapeutic areas like Skincare/Derma, Women's health, Analgesics, Digestives/gastro and Vitamins/minerals/supplement and others which includes (Self Diagnostics Kits, Artificial Sweeteners, Wound Healing, Ontological products etc).

Key products offered under therapeutic area

Therapeutic areas	Key product types offered	Some of the key brands for therapeutic OTC
 Skincare/ derma	Skin lotion/sun cream/ wipes	Lacto Calamine, Ansolar, Melagard, Nuface, Photostable
	Skin infection	Tetmosol Cream, Vensore
	Skin allergy	Caladryl, Candicalm
	Antiseptic cream/ diabetic foot ulcers	Boroplus, Boroline, Plermin, Cipladine
 Women's health	Menstrual care	I Activ, Comfy
	Emergency contraceptive pills	I-Pills, Unwanted 72
	Pregnancy test kits	I-Can, Pregarnews
	Hygiene	Vwash, Ifeel Intimate Wash

Therapeutic areas	Key product types offered	Some of the key brands for therapeutic OTC
 Analgesics	Cream, balm, spray, pills	Saridon, Sloan's, Amrutanjan Pain Balm, Zandu Balm, Moov, Volini
 Digestives/gastro	Pills, syrups	Digeplex, Polycrol, Digene, Dabur Pudina Hara Drops, Dabur Hajmola,
 Respiratory	Pills, syrups	Waterbury's Compound A, Dabur Honey Throat Relief Dabur Honitus, Cofsils, Strepsils, Stopallerg
 Vitamins/minerals/supplement	Speciality supplements	Ferradol, Ourdaily, Forte Tablet, Becosules Capsule, Seven seas
	Weight management, Protein supplements	PentaSure, Optimum Nutrition
	Calcium and minerals	Calcium Sandoz, Ostocalcium, OurDaily Calcium & Vitamin D3 Tablet
	Multi – vitamins	Supradyn, Revital, Evion, Neurobion, Maxirich
	Biotin	Perfectil, Zingavita Biotin Tablet, ourdaily biotin
	Immunity Boosters	Dabur Chyawanprash
Others	Artificial sweetener	Sugar Free, Sugranil
	Self-diagnostics kits	Accu Chek Active, One Touch, Sugarchek
	Wound- healing	Burnol, Meganano

Source: CRISIL MI&A

OTC market products focusing on consumer care

Indian OTC market have thrived with products in the consumer care business also gaining prominence. Due to rise in awareness for preventive and self-care and increased per capita income, there has been increased spend on the skincare, hygiene, self care and preventive care products. Following are some of the key OTC product focused on consumer care.

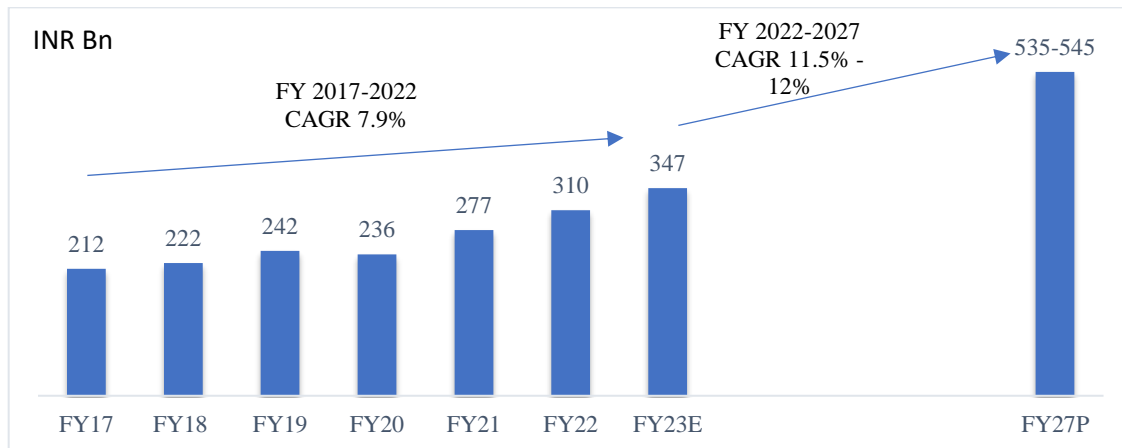
Consumer care area	Key product types offered	Some of the key brands for therapeutic OTC
Skincare	Skin lotion, sun cream/ wipes, Skin infection, Skin allergy, Antiseptic cream, Diabetic foot ulcers	Lacto Calamine, Ansolar, Melagard, Nuface, Photostable, Tetmosol Cream, Vensore, Caladryl, Candicalm, Boroplus, Boroline, Plermin, Cipladine,
Disinfectants	Sanitizers, surface cleaners	Dettol, Betadine, Neko, Pure hands, Tri-Activ, Hexigel
Smoking cessation product	Anti-smoking drugs	Nicogum, Nicotex, Nixit

Source: CRISIL MI&A

Indian OTC drug market is poised to grow at 11.5-12% CAGR between FY22-27

India's OTC drug market size stood at INR 310 billion in FY2022 and is has grown at a rate of 7.9% CAGR between FY 2017-2022. It is expected to grow at 11.5-12% CAGR between FY22- 27 and reach at INR 535-545 billion.

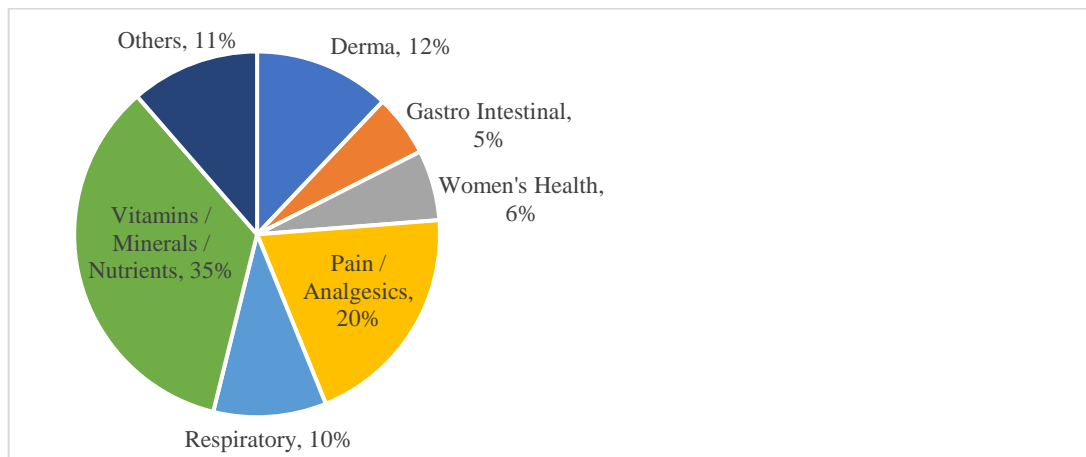
Indian OTC drugs Market Size



Source: CRISIL MI&A

The availability of OTC drugs on e-commerce with the increasing number of online pharmacies is further going to boost for these medicine market, as it helps users with easier and quick access. Apart from easy availability, affordability and increased awareness among patients about this medicine are the major drivers that are driving the production of newer and more efficient over the counter (OTC) drugs in India.

OTC drugs market share by therapeutics areas in FY'22



Others includes self-diagnostics kits, artificial sweeteners, ontological products etc.

Source: CRISIL MI&A

Increasing Awareness for Self-Medication will drive the OTC market

Public health experts claim that the pandemic has transformed the way people seek medical help, as people increasingly opting for self-care options to take control of their health. Covid-19 has heightened the attention on health and nutrition, especially ensuring adequate immunity and energy levels to address the general health concern. This trend of self-medication is anticipated to drive the cough and cold, gastrointestinal, analgesics, multivitamins and derma/skincare segment of the Over-the-Counter (OTC) medicines in the country. The most frequently used OTC medicines are of Fever, Headaches, Toothache, acne, skin rashes and Cold, Cough & Flu. People are relying more on this self-medication as it is time saving, as well as for faster relief thus driving the market growth by increasing dependency and reach for the Over the Counter (OTC) Drug Market.

Rise in lifestyle diseases is increasing the OTC Demand

The increase of lifestyle disease occurrences among the growing elderly as well as young population is a measure that is expanding the Over-the-Counter (OTC) Drug market demand. The dependency on several Over-the-Counter (OTC) products like Digestives/gastro, Laxatives, Cold, Cough and Flu along with mild analgesics and pain reliever ointments, is a major reason for the increased demand.

Lack of adequate healthcare facilities is driving the market of OTC drugs

In India, many patients do not have access to needed medicines because they are unable to obtain a prescription. Due to the lack of a healthcare facility in close proximity, lack of trained medical professionals, as well as time or economic constraints the

patients are not able to get the access of the medicines easily. In such condition OTC medicines provides relief for common conditions as they are easily accessible, cheap and can be purchased without any prescription.

High Competition and high cost of marketing & brand creation

The Indian over-the-counter (OTC) drugs market is competitive in nature. The industry players include not only the pharmaceutical players but also a large number of FMCG players. Certain brands like Dettol antiseptic, Crocin, Gelusil, Saridon, i-pill etc have become the metaphor for their category. Realising the potential of this market companies, are focusing on new product development and acquisitions to gain market share. Cash rich FMCG and pharma companies are spending heavily on marketing and brand creation. OTC medicines are brought without prescription and hence the decision maker in the purpose of medicines is the patient or pharmacist. In order to create awareness about the product and ensure that the brand is on top of mind of consumers, OTC companies have to spend on marketing and advertisements.

Key players present in the OTC and consumer health market in India

Indian OTC drugs market has both pharmaceutical and FMCG players in it. While Pharmaceuticals companies have the know-how of developing such products, FMCG has the ability to leverage its current reach and place these products right into the essential basket of an otherwise inaccessible rural consumer.

S. No.	Key Players	Brands	Key categories catered
1	Piramal pharma	Lacto Calamine, Neko, Caladryl, ourdaily, Polycrol, i-pill, Little's (Babycare), Tetmosol	Skin care, Vitamins, Digestives/gastro, Women's health
2	Abbott	Digene, Brufen Power spray, Cremaffin, ARACHITOL-O, Betonin AST, Kinetone Advance, Surbex Gold, Surbex XT, Citrosoda, Digene Fizz, Digene Gel, Digene Tablet, Rashfree, Dermabond	Analgesics, Digestives/gastro, Derma
3	Dabur	Dabur Honitus Sugar Free, Dabur Pudín Hara Drops, Hajmola, Dabur Chyawanprakash, Dabur Honey Throat Relief Dabur Honitus	Ayurvedic healthcare and
4	Emami	Zandu Nityam, Vigorex, Mentho Plus Balm	Analgesics
5	GSK Health	Oilatum Bar, Oilatum Kids Bar, Cobadex CZS, Cobadex Forte, Oilatum Emollient	Skin care, Vitamins/minerals/Supplements
6	P&G Health	Cosome, Evion, Neurobion, Nasivion, Polybion	Respiratory, Vitamins/minerals/Supplements
7	Reckitt Benckiser	Strepsils, Dettol	Respiratory
8	Cipla Health	Nicotex, Cofsils, Prolite ORS, Maxirich multivitamin, Nicogum, Cipladin	Respiratory Vitamins/minerals, Others
9	Amrutanjan Health	Amrutanjan Pain Balm, Comfy, Relief Cold rub	Analgesics, Women's health, respiratory
10	Sun Pharma	Gestid,Chericof, Coldact & Flustat, Volini	Digestives/gastro, respiratory, Analgesic
11	Zydus Wellness	COMPLAN, Sugarlite	Others- Artificial sweeteners

Note: The list above is an indicative list and not an exhaustive list

Source: Company reports, Company website, CRISIL MI&A

Company	Pain/ Analgesics	Respiratory (Cough & Cold)	Women's Health	Vitamins/ Minerals/ Supplements	Gastrointestinal	Derma/ Skincare	Others
Piramal pharma	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Abbott	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dabur		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		
Emami	<input type="checkbox"/>					<input type="checkbox"/>	
GSK Health				<input type="checkbox"/>		<input type="checkbox"/>	
P&G Health		<input type="checkbox"/>		<input type="checkbox"/>			
Reckitt Benckiser		<input type="checkbox"/>					<input type="checkbox"/>
Cipla Health		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Amrutanjana Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Sun Pharma	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>		
Zydus Wellness							<input type="checkbox"/>

Note: The list above is an indicative list and not an exhaustive list, Others includes self-diagnostics kits, artificial sweeteners, ontological products etc.

Source: CRISIL MI&A

Assessment of ophthalmology therapy area in Indian domestic market

Ophthalmology is the specialized field of medicine that focuses on the health of the eye. Ophthalmology therapy area have gain significance in Indian market with India beginning to be the one of the key market for ophthalmic diseases and disorders like cataract, retinal complaints and glaucoma. As per the WHO Global Data on Visual Impairment 2010, India (20.5%) along with China (20.9%) were among the most affected countries by blindness in the world. Increasing elderly population due to improved life expectancy in country and exposure to harmful UV radiations are some of the key reasons for high burden of eye related diseases in India. Dry eye syndrome which is one of the most common eye disorders is also on the rise with increased work schedule and constant screen exposure.

Ophthalmology therapy area in Indian domestic formulation market have been growing at steady rate increasing from Rs. 21 billion in fiscal 2017 to 26-27 billion in fiscal 2022 growing at healthy 4-5% CAGR from fiscal 2017 to fiscal 2022. Many of the domestic as well as foreign players have invested in capabilities in ophthalmology therapy area. Allergan, Sun Pharma, Ajanta Pharma, Novartis India, Cipla are among the market leaders in the ophthalmology therapy area in India domestic formulation market. In terms of treatments, the Indian domestic formulation market is dominated by medications for dry eyes, Pink eye, glaucoma etc.

Some of the key players and brands in ophthalmology therapy area in Indian domestic market

Company Name	Key brands in ophthalmology
Allergan	Refresh tears, Combigan, Lumigan, Refresh Liquigel
Sun pharma	Careprost, Eyemist, Teardrops
Ajanta pharma	Soft Drops, Olopat, Brinzox
Novartis India	Systane Ultra, Genteal, Travatan
Cipla	Ciplox, Moxicip, Dorzox

Source: CRISIL MI&A

Regional overview of North America and Europe pharmaceutical market

The North America is one of the largest markets for pharmaceuticals. United States of America is one of the key markets in the North America region along with Canada. Well established healthcare regulatory systems along with higher per capita consumption of medicines are some of the key reasons for North America being one of the largest regional pharmaceutical markets consisting of ~45% of the total pharmaceutical market. North America market was valued at ~ USD 625 billion in the year 2022. The North America pharmaceutical market is expected to grow at ~4-5% CAGR from the year 2022 to year 2026 reaching approximately USD 744 billion by the year 2026. Higher healthcare expenditure as well as well penetration of biologics are expected to be some of the growth drivers for the market.

Europe is also one of the developed pharmaceutical markets in the world. The pharmaceutical markets in Europe have well established regulatory environment and there are established guidelines for manufacturing and marketing of the pharmaceutical products. Europe pharmaceutical market was valued at ~USD 363 billion in the year 2022 consisting of ~26% of the total pharmaceutical market. The Europe pharmaceutical market is expected to grow at ~4-5% CAGR from the year 2022 to year 2026 reaching approximately USD 438 billion by the year 2026. The major factors contributing to growth of this market is the growing demand for generics as well as faster approvals for biologics and biosimilars which presents a great potential in the global pharmaceutical market.

The emerging markets like Latin America and Asia-Pacific are also witnessing growth in the pharmaceutical market owing to rising awareness for healthcare and increased spending on pharmaceuticals owing to rise in income levels.

North America and Europe pharmaceutical market

USD billion	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2026P	CY2022-CY2026 CAGR (%)
North America	500	519	547	568	575	602	625	744	4-5%
Europe	284	296	313	326	331	348	363	438	4-5%

P: Projected

Source: Mordor Intelligence, Pharma Company reports, CRISIL MI&A

Regional overview of North America and Europe CDMO market

The pharmaceutical marketing companies outsource some of the pharmaceutical manufacturing to CDMO players in order to have lesser fixed costs in terms of plants and machinery and does help them operate on an asset light business model. As of CY2022 North America region has the highest share in the global CDMO market in terms of demand with share of 40-45% followed by Europe with share of 25-30%. The North America pharmaceutical market is characterised by high spending on the healthcare and pharmaceuticals resulting in players offering diverse range of products. The north America CDMO market has seen growth majorly due to high demand from pharmaceutical companies with customised requirements for pharmaceutical manufacturing which includes outsourcing manufacturing activities from API molecules to finished formulations. Growth in the North American market particularly in the US is mainly due to higher spends on research and development and big pharma companies partnering with specialised contract manufacturers. The European CDMO market has seen traction in the recent years with new drug developments and traction in generic drug penetration. Traditional higher spending on healthcare coupled with new drug developments have resulted in the pharmaceutical companies outsourcing manufacturing and development activities to the CDMO players in the European market.

The North America CDMO market is estimated at ~USD 62 billion in the year 2022 and is expected to register a CAGR of 6-6.5% from year 2022 to 2026 to reach ~ USD 75-80 billion in 2026. Europe CDMO market on the other hand was Valued at ~USD 37 billion in the year 2022 and is expected to register CAGR of 6-6.5% from year 2022 to year 2026 to reach ~USD 45-50 billion in 2026.

North America and Europe CDMO market

USD billion	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2026P	CY2022-CY2026 CAGR (%)
North America	45	46	49	53	55	60	62	75-80	6-6.5%
Europe	26	27	29	31	32	35	37	45-50	6-6.5%

P: Projected

Source: Mordor Intelligence, Pharma Company reports, CRISIL MI&A

Regional overview of North America and Europe complex generics market

Research and development has been a key factor in developing novel drugs. In the recent years pharmaceutical companies have been streamlining their R&D activities to focus on more value-added drugs like complex generics. The key developed markets such as North America and Europe are one of the leading markets in terms of penetration of complex pharmaceutical products and in turn complex generic products. Generic players in north America and Europe are developing complex generics products to diversify their product portfolio as well as to counter price erosion in the traditional generic products.

Also developed markets like North America and Europe have traditionally seen higher uptake of complex medicines due to higher penetration and higher spending on the healthcare. Complex generics have emerged as one of the key products to target complex and speciality therapies by providing medicines at lesser prices than the original complex and speciality medicine. As of CY2022 North America region has the highest share in the global complex generics market in terms of demand with share of 40-45% followed by Europe with share of 30-35%. The North America and Europe complex generics market is characterised by high penetration of complex and speciality medicines which provides generic players with the opportunity of launching the generic versions of these complex products. Also with higher generic uptake in these markets, going ahead complex generics are expected to register steady growth in the medium to long term.

The North America complex generics market is estimated at ~USD 28 billion in the year 2022 and is expected to register a CAGR of 10-11% from year 2022 to 2026 to reach ~ USD 40-45 billion in 2026. Europe complex generics market was Valued at ~USD 21 billion in the year 2022 and is expected to register CAGR of 10-11% from year 2022 to year 2026 to reach ~USD 30-35 billion in 2026.

North America and Europe CDMO market

USD billion	CY2016	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2026P	CY2022- CY2026 CAGR (%)
North America	16	18	20	22	24	27	28	40-45	10-11%
Europe	11	12	14	16	17	20	21	30-35	10-11%

P: Projected

Source: Mordor Intelligence, Pharma Company reports, CRISIL MI&A

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-looking Statements” on page 14 for a discussion of the risks and uncertainties related to such statements and the section “Risk Factors” on page 18 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

We have included various operational and financial performance indicators in this Letter of Offer, many of which may not be derived from our Restated Consolidated Financial Information or otherwise be subject to an examination, audit or review by our auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Information and other information relating to our business and operations included in this Letter of Offer.

Unless otherwise indicated, the industry-related information contained in this Letter of Offer is derived from the ‘CRISIL Report’ which have been exclusively commissioned and paid for by our Company for agreed fees for the purposes of confirming our understanding of the industry exclusively in connection with the Issue and exclusively prepared and issued by CRISIL. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated February 14, 2023. Copies of the CRISIL Report shall be available on the website of our Company at www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. The data from the CRISIL Report included in this section may have been re-ordered by us for the purposes of presentation. Further, certain industry related information included in this Letter of Offer is also derived from IQVIA data which has been commissioned and paid for by our Company.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Letter of Offer, including the information contained in “Risk Factors”, “Industry Overview”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18, 119, 170 and 323, respectively.

Overview

We are a pharmaceutical company with global operations, providing end-to-end pharma services to customers and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals – (i) Piramal Pharma Solutions (“PPS”), an integrated contract development and manufacturing organization (“CDMO”); (ii) Piramal Critical Care (“PCC”), a complex hospital generics (“CHG”) business; and (iii) India consumer healthcare (“ICH”) business, selling over-the-counter (“OTC”) products.

CDMO business

Our CDMO provides integrated drug discovery, development, and manufacturing services for both drug substances i.e. active pharmaceutical ingredients (“APIs”) and drug products i.e. formulations across lifecycle of a molecule from discovery and clinical development to commercial launch. Presently, it has a diverse customer base of over 500 customers comprising global innovator pharma companies, emerging biopharma companies and generic pharma companies. We have a low revenue concentration with our top five customers contributing 24.67% of our total revenue from operations from the CDMO business. During Financial Year 2023, 76.87% of our revenue from operations were achieved from regulated markets such as US, Europe and Japan. Commercial manufacturing, discovery and development services contributed towards 65.14%, 5.03% and 29.83%, respectively of the revenue from operations from the CDMO business during Financial Year 2023.

Our integrated network of facilities for the CDMO operations are located across India, UK and North America and we have obtained and maintain requisite approvals from various global regulatory agencies. We have development and manufacturing capabilities in areas such as high potency APIs, antibody drug conjugates (“ADC”), peptides, sterile injectables and hormonal products. We have a deep development pipeline of molecules. Further, since incorporation, we have executed over 100 integrated projects as on March 31, 2023, i.e. projects which involve more than one development or manufacturing site which we believe benefits our customers by reducing their time-to-market, reducing operational complexity and lowering supply chain cost.

CHG business

Our CHG portfolio comprise of over 35 hospital-focused products in the areas of inhalation anaesthesia, injectable anaesthesia, pain management, intrathecal therapy and other injectables. We are the fourth largest company globally as per USD value for

a combined market of Sevoflurane, Desflurane, Isoflurane and Halothane (*Source: IQVIA MIDAS MAT® Dec 2022*)¹. We are vertically integrated in inhalation anaesthesia. We manufacture both API and drug products at the Digwal, India and Bethlehem, US facilities as well as the key starting material at the Dahej, India facility. We are the leading player in Sevoflurane in the US market with value market share of 39.67% (*Source: Source: IQVIA MIDAS MAT® Dec 2022*)⁽¹⁾. Further, we rank number one in the US market with Baclofen's pre-filled syringe and vial with our brand Gablofen® having 77.41% value market share (*Source: Source: IQVIA MIDAS MAT® Dec 2022*)⁽¹⁾. Additionally, our brand Fentanyl (ampoules) is the number one ranking brand by USD value in the Japan, South Africa and Indonesia markets (*Source: Source: IQVIA MIDAS MAT® Dec 2022*)⁽¹⁾.

As of March 31, 2023, we have 25 SKUs in various stages of development. Our products are sold in over 100 countries, to more than 6,000 hospitals with direct sales presence in US, UK, Germany, France and Italy, and through distribution partners in other geographies. Our products are used in hospitals, surgical centres, and veterinary clinics.

ICH business

Our ICH business has a diverse portfolio of over 30 OTC products across categories of analgesics, skin care, VMS, kids' wellness, digestives, women's health, and hygiene and protection categories, with well-known brands such as Little's, Lacto Calamine, I-Pill, Polycrol, and Tetmosol. During Financial Year 2023 and 2022, we launched 26 and 40 new products, respectively.

We sell our products to several stockists that has reach across chemist and cosmetics stores, kids' toys and gift shops, and modern trade stores. We have also launched our own e-commerce website, wellify.in. We have technology enabled sales coverage to track the productivity of our field force.

The following table sets forth the revenue break-up for our CDMO, CHG and ICH business for Financial Period 2021, Financial Year 2022 and 2023:

Business	Financial Year ended March 31, 2023		Financial Year ended March 31, 2022		Financial Period ended March 31, 2021	
	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)
CDMO	4,015.81	56.71	3,750.35	57.18	3,870.54	61.29
CHG	2,285.87	32.28	2,002.11	30.52	1,923.63	30.46
ICH	858.77	12.13	806.06	12.29	554.80	8.79
Others*	(78.90)	(1.12)	0.58	0.01	(34.07)	(0.54)
Total	7,081.55	100.00%	6,559.10	100.00	6,314.90	100.00

* Includes foreign exchange gains/ (losses) which are not directly attributable to any individual business vertical of our Company.

Joint venture with AbbVie Inc. (formerly known as Allergan Pharmaceuticals (Ireland) Limited): Our Associate, Allergan India ("Allergan India") is a joint venture between us and AbbVie Inc. ("AbbVie"). We hold 49% of the paid-up equity share capital of Allergan India as on March 31, 2023. Allergan India is a specialty pharmaceutical company and has emerged as one of the market leaders in a ophthalmology therapy area (*Source: CRISIL Report*). Our Company manufactures medication for diseases, such as glaucoma, dry eye, infections, and inflammations for Allergan India.

To support our operations, we have 17 development and manufacturing facilities across India, North America and UK with a track record having cleared periodic regulatory inspections in various jurisdictions. Further, our facilities at Ahmedabad PDS, Ahmedabad PPDS, Ennore and Rabale have been recognised by the Department of Scientific and Industrial Research. Our diversified manufacturing footprint enables market proximity for customers and a cost efficient production cycle. We also have a global distribution network in over 100 countries as of March 31, 2023.

The following table sets forth the geographical split of our revenue from operations as a percentage of our total revenue from operations for the years/ period specified:

¹ The statements, findings, conclusions, views, and opinions contained and expressed herein are not necessarily those of IQVIA or any of its affiliated or subsidiary entities. Any analysis is independently arrived at by Piramal Pharma Ltd., on the basis of information from various sources.

Area	Financial Period ended March 31, 2021		Financial Year ended			
			2022		2023	
	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)	₹ in crore	Percentage of revenue from operations (%)
North America	2,841.92	45.00	2,771.30	42.25	3,169.56	44.76
Europe	1,709.74	27.07	1,501.46	22.89	1,440.55	20.34
India	882.66	13.98	1,225.54	18.68	1,444.49	20.40
Japan	300.53	4.76	274.04	4.18	271.68	3.84
Others	580.05	9.19	786.76	12.00	755.28	10.66
Total	6,314.90	100.00	6,559.10	100.00	7,081.55	100.00

While our Company was incorporated in March 2020, our pharma business was originally a part of PEL, a Piramal group company, which has a track record in building a scalable and differentiated pharmaceutical business. As the pharma business grew, a scheme of arrangement was entered into in October 2021 to simplify the group structure and consolidate all pharma business under Piramal Pharma Limited. For further information, see “*Composite Scheme of Arrangement*” on page 65. Our revenue from operations grew year-on-year at 3.87% and 7.97% from the Financial Period ended March 31, 2021 to Financial Year ended March 31, 2022 and from the Financial Year 2022 to Financial Year 2023, respectively. The following table sets out our Company’s total revenue from operations, EBITDA, PAT and PAT Margin for the period specified below:

Particulars	Financial Period ended March 31, 2021	Financial Year ended	
		2022	2023
Revenue from operations ⁽¹⁾	6,314.90	6,559.10	7,081.55
EBITDA ⁽²⁾⁽³⁾	1,592.07	1,225.46	853.35
Net profit/ (loss) after tax	835.03	375.96	(186.46)
Net profit/ (loss) margin	13.22%	5.73%	(2.63)%

1. In addition to the revenue from operations from the CDMO, CHG and ICH business, the total revenue from operations also includes foreign exchange gains/ losses

2. EBITDA: Aggregate of profit before share of net profit of associate and joint ventures, exceptional items and tax, finance cost and depreciation and amortisation for the year/ period

3. For reconciliation of Non-GAAP measures, please see “Other Financial Information – Reconciliation of Non-GAAP Measures” on page 318.

Our Strengths

CDMO service offerings across the lifecycle of the molecule and differentiated capabilities

Our CDMO business offers services across the lifecycle of the molecule ranging from drug discovery, clinical development to commercial manufacturing. We offer a range of research services including, *inter alia*, medicinal chemistry, in-vitro ADME services, discovery analytical support services and non-GMP Kilo Lab in the discovery phase. Our clinical development module offers pre-clinical trials and testing from phase I to phase III for various dosage forms. Further, we undertake commercial manufacturing of a wide range of APIs and FDFs across therapeutic areas and dosage forms. We continue to attract customers with our strong development and manufacturing capabilities in several areas such as injectables, high potency APIs, ADC and peptides. Our Associate, Yapan Bio operates in the biologics/ bio-therapeutics and vaccine segments.

Diversified Presence across Global Markets with a Diversified Revenue Base

Our operations have a global footprint. As of March 31, 2023, we (i) have 17 development and manufacturing facilities across the globe with ten in India and seven outside India; (ii) distribute our products in over 100 countries; (iii) 6,295 full-time employees across the world with 4,644 in India and 1,651 outside India; and (iv) have 21 subsidiaries with 20 of such Subsidiaries incorporated outside India in, among others, South Africa, Japan, Italy, UK, Canada, Australia, Germany, Greece and US. We believe that the strategic locations of our development and manufacturing facilities along with our distribution system allow us to supply our products and services throughout the world in an efficient manner. Further, our diversified manufacturing footprint enables market proximity for customers and a cost efficient production cycle.

Our primary markets outside India include the US and Europe and our operations are diverse in terms of geography and product portfolio, with revenue from operations outside India representing 79.60% and 81.32% of our total revenue from operations, in Financial Year 2023 and 2022, respectively. We have historically leveraged our product portfolio for the US and European markets to enter emerging markets based on our assessment of such markets. We distribute our products through differentiated business models for each of our key markets which we believe helps us leverage the characteristics of each market, including its regulatory landscape, market size and competitive landscape, and helps reduce dependency on a particular model, leading to our profitable international business. As of March 31, 2023, our CDMO business has over 500 customers, and our CHG business has a tie-up with over 6,000 hospitals to sell our products. We have ground sales executives in the US reaching out to hospitals and GPOs on a regular basis. We also distribute products outside India through arrangements with distributors and local partners.

Consistent Regulatory Compliance Track Record

We are committed to meeting the requirements and expectations of our patients, customers, regulators and partners. In our pursuit for quality of products to continue to be a key differentiator, we focus on timely scale up of our standards to align with the dynamic industry and regulatory benchmarks. Our development and manufacturing facilities have been inspected by various regulatory authorities across the worlds such as USFDA, Medicines & Healthcare Products Regulatory Agency, UK, Therapeutic Goods Administration, Australia and Pharmaceuticals and Medical Devices Agency, Japan. In order to maintain a sustainable and consistent quality system throughout all development and manufacturing facilities, we have several internal policies and statement of purpose outlining criteria to ensure site quality health, quality of raw materials and key starting materials. Further, we train our employees to ensure safe handling of equipment and chemicals. The policies are periodically updated from time to time. We have an escalation mechanism for our quality management system and our quality management system is independent of our businesses and reports directly to the Chairperson of the Board. Since incorporation, we have had USFDA inspections at five of our developing and manufacturing facilities in the US - with respect to the Riverview facility, while USFDA provided a few verbal remarks such as issues pertaining to the disclosure of details of historical review and identification of swabbing locations, for which the Company has undertaken appropriate corrective action to rectify it, we received nil observations. In relation to the Lexington and Sellersville facilities, we had received six and two observations, respectively, classified as voluntary action indicated. We have responded to the observations and the establishment inspection reports have thereafter been issued by the USFDA for the Lexington and Sellersville facilities. Further, our sites are inspected by our customers as well. See *“Risk Factors - 6. Our business is subject to extensive regulation, inspections and customer quality audits. In the event we are unable to comply with the requirements of regulatory agencies, we may be subject to regulatory actions such as temporary or permanent restriction to market and sell our products in certain jurisdictions, withdrawal of our products from certain jurisdictions, closure of development and/ or manufacturing units, litigation or other liabilities, which could cause disruptions or delays in approval for new products and/or production, which in turn could adversely affect our business”* on page 22.

Extensive track record of Organic and Inorganic Expansions

While our Company was incorporated in March 2020, prior to incorporation, the pharmaceutical business of the Piramal group was run by PEL for several years. Several companies and development and manufacturing facilities were acquired by PEL to expand the pharmaceutical business. For further information, see *“Composite Scheme of Arrangement”* on page 65. In line with the Piramal group’s past practices, our Company has continued to expand its business through organic and inorganic methods. We received ₹3,448.41 crore as growth equity investment by CA Alchemy Investments, an affiliate of the Carlyle Group in October, 2020 and as on March 31, 2023, CA Alchemy Investments holds 238,663,700 Equity Shares representing 20.00% of our paid-up equity share capital. Since incorporation, our Company has made the following acquisitions:

- On June 22, 2021, our Company acquired 100% of the paid-up equity share capital of HPPL, enabling access to peptides API developments and manufacturing capabilities which complements our existing service offerings.
- Through two tranches on December 20, 2021 and April 4, 2022, our Company acquired a total of 33.33% (27.78% stake on December 20, 2021 and 5.55% stake on April 4, 2022) of the paid-up equity share capital of Yapan Bio, an India based CDMO providing process development and manufacturing services for large molecules (biologics, vaccines and gene therapy).
- On February 24, 2021, our Company acquired remaining 49% of the paid up equity share capital in CCPL, which was our joint venture for the Speciality Fluorochemicals Plant (Dahej, Gujarat)

In addition, we are expanding our existing development and manufacturing facilities in the CDMO business and have sanctioned capital expenditure investments across multiple sites such as (i) capacity expansion for high potency API at the facility in Riverview, US; (ii) expansion of existing building at the facility in Grangemouth, UK; (iii) expansion of capacity at our peptide facility in Turbhe, India; and (iv) new in-vitro lab at the Ahmedabad PDS facility in India. In the CHG business, we are also expanding our capacities at Digwal and Dahej to address the growing demand of inhalation anaesthesia in US and non-US markets. See *“- Our Strategies - Pursue strategic acquisitions, partnerships and continue to grow inorganically to meet future demands”* on page 142.

Extensive portfolio of complex products

As on March 31, 2023, the CHG business spans over a portfolio of over 35 products including inhalation anaesthesia, injectable anaesthesia, pain management products, intrathecal therapy and other injectables. Due to high entry barriers such as high initial capital requirement for supplying medical devices such as vaporisers which are compatible with our inhalation anaesthesia, as well as dedicated production facilities for complex products, competition remains limited as compared to traditional generics. For details, see *“- Our Products and Services - CHG”* on page 137. Further, strict quality assurance system, extensive regulatory experience in establishing marketing and distribution relationships such as with GPOs create hurdles for less experienced competitors and new entrants.

We have an experienced and highly qualified management team with significant experience in the pharmaceutical industry

We have a professional and experienced management team with significant expertise in the pharmaceutical industry who we believe have extensive knowledge and understanding of the global generic pharmaceutical business environment and have the expertise and vision to organically scale up our business. We consider this facilitates effective operational coordination and continuity of business strategies. While our Company was incorporated in March 2020, our management team includes experienced senior executives, many of whom have been with the Piramal group for a significant period of time. Our Chief Financial Officer has been associated with the Piramal group for over 22 years and has extensive experience in domestic formulations business and the pharma industry. Further, Peter Daniel DeYoung, an Executive Director on our Board has spearheaded several leadership mandates at the Piramal group, including as the chief executive officer of Piramal Critical Care and President, Piramal Life Sciences. We believe our Board is an optimal combination of directors with expertise in various sectors ranging from pharmaceuticals, finance, information technology, manufacturing operations and legal.

As of March 31, 2023, we had 6,295 of employees across our key business verticals, excluding contract employees and part-time employees we hire basis specific business requirement. Our employees possess a range of qualifications including scientific, engineering, management and pharmacy post-graduate and graduate.

Our Strategies

Expand product portfolio

We have maintained a focus on achieving a diverse product mix offering products at various stages of their lifecycle as well as a robust product pipeline. Our Company has obtained 84 product registrations including, *inter alia*, two in US and 37 in Africa. As on date of this Letter of Offer, six product registrations are pending. Further, our Subsidiaries have obtained 544 product registrations while 11 product registrations are pending in various jurisdictions across the world. Additionally, our Company has obtained a total of 161 Drug Master Files across jurisdictions including *inter alia*, 61 in North America, 69 in Europe and 21 in Asia Pacific while six Drug Master Files are currently pending. Further, our Subsidiaries have also obtained six Drug Master Files. Our Company and its Subsidiary, Piramal Critical Care, Inc. have obtained three and one product licenses, respective, in India. As on the date of this Letter of Offer, registrations for 26 of our products were pending for renewal and under review by the relevant authorities. For details, see “*Risk Factors -1.The industry in which we operate is heavily regulated and our business activities require various approvals, licenses, registrations and permissions. Any change to such regulations or failure or delay in obtaining necessary permits or approvals, or increase in costs to obtain necessary permits or approvals or if such permits or approvals are revoked or not renewed, our business, financial condition, cash flows and results of operations may be adversely affected*” on page 18. Please see below list of products for which registration is pending for renewal and products for which application is pending for approval:

A. Products for which registration is pending for renewal

Sr. No.	Title	Date of Registration
1.	Isoflurano	November 22, 2012
2.	Halothane BP (250ml solution for Inhalation)	January 8, 2018
3.	Halothane BP 100% V/V	December 17, 2014
4.	Isoflurane	June 22, 2017
5.	Isoflurane	February 13, 2018
6.	Isoflurane	March 28, 2018
7.	Isoflurane Liquid for Inhalation	April 20, 2018
8.	Sevoflurane	July 10, 2017
9.	Sevoflurane	March 28, 2018
10.	Terrell-100ml	May 8, 2019
11.	Terrell-250ml	March 28, 2017
12.	HALOTHANE BP, Liquid for Inhalation	March 19, 2017
13.	FLUOTHANE, Liquid for Inhalation, 250ml	April 2, 2018
14.	ISORANE, Liquid for Inhalation, 250ml	April 2, 2018
15.	Sojourn, Liquid for Inhalation, 250ml	April 2, 2018
16.	SEVOFLURANE	January 30, 2020
17.	ISOFLURANE	January 30, 2020
18.	FLUOTHANE	October 27, 2021
19.	Haemaccel	December 7, 2021
20.	Sojourn	October 27, 2021
21.	Terrell	October 27, 2021
22.	Isoflurane 100% v/v liquide pour inhalation	September 27, 2015
23.	Isoflurane 100ML	November 19, 2020
24.	Halothane 250ML	November 19, 2020
25.	TERRELL	December 22, 2017
26.	Isoflurane	September 6, 2013

B. Products for which application is pending for approval

Sr. No.	Title	Date of Application
1.	STERILE POLYGELENE SOLUTION	June 28, 2022
2.	STERILE POLYGELENE SOLUTION	October 7, 2021
3.	Halothane BP 250ml	June 2, 2022
4.	Haemaccel	January 20, 2021
5.	Haemaccel	October 12, 2022
6.	Terrell	January 11, 2022

During Financial Year 2022 and 2023, our Company launched 40 and 26 new products, respectively in the ICH segment. Our CDMO business has molecules in pipeline across the three phases. Further, during the Financial Year 2023, we launched three new products in our CHG business which has 25 SKUs in the pipeline of which four have been approved but yet to be launched, 14 which have been applied for but yet to be approved and seven have been developed but yet to be filed.

We intend to increase our product offerings through in-licensing and by continuing to invest in new technologies to maintain our competitive strengths in both product development and product manufacturing capabilities. We intend to utilise our manufacturing capabilities, technological expertise and sales and marketing infrastructure to capitalise on the growing market. We will continue to focus on developing products primarily for the US and Europe markets and leverage our product portfolio to extend across other markets. This is enabled by our continued adherence to consistent quality control and regulatory compliance across our facilities and development processes in order to meet evolving regulatory standards. To cater to the needs of other key markets, we also have started to develop products aligned with the requirements of those markets.

Pursue strategic acquisitions, partnerships and continue to grow inorganically to meet future demands

In order for us to maintain our competitive position, we intend to expand our current manufacturing capacities and continue to invest in new technologies and development and manufacturing capabilities. We have been adding to our manufacturing capacity steadily since incorporation. For information on the manufacturing facilities and its capacity utilisation, see “- *Manufacturing Operations - Development and Manufacturing Facilities*” on page 146.

The installed capacity for oral solids has decreased in Financial Year 2022 as compared to Financial Period 2021, due to change in product mix with an increase in volume of heavier tablets, leading to reduced capacity. Further, the installed capacity for liquid pre-mixes has decreased in Financial Year 2022 as compared to Financial Period 2021, due to an increase in cleaning and changeover time, which lead to a reduction in available time for production, impacting installed capacities.

We are aiming to expand our development and manufacturing facilities and have sanctioned growth-oriented capital expenditure investments across multiple facilities.

1. capacity expansion for high potency API at the facility in Riverview, US;
2. expansion of existing building and the antibody-drug conjugate capabilities at the facility in Grangemouth, UK;
3. expansion of capacity at our peptide facility in Turbhe, India;
4. new in-vitro lab at the Ahmedabad PDS facility in India;
5. In the CHG business, our Company is also expanding capacities at Digwal and Dahej in India to address the growing demand of inhalation anaesthesia in US and non-US markets;
6. capacity expansion at our Bethlehem facility; and
7. creation of new production block at Pithampur development and manufacturing facility.

Further we have in the past expanded our capabilities through acquisitions such as acquisition of HPPL to access peptide API development and manufacturing capabilities and acquisition of 33.33% (27.78% stake on December 20, 2021 and 5.55% stake on April 4, 2022) of the paid-up equity share capital in Yapan Bio an India based CDMO providing expertise in biologics and vaccines. For further details, see “- *Our Strengths – Extensive Track Record of Organic and Inorganic Expansions*” on page 140.

We intend to leverage our position in the industry, study the market and industry and identify opportunities for such inorganic expansions in the future

Increase current market presence and enter new markets and geographies

The global CDMO market is estimated at approximately USD 140 billion in the year 2022 and the market is expected to reach approximately USD 170 - 180 billion by 2026, due to robust growth in the outsourcing space. (Source: CRISIL Report) Further, the global complex generics market was valued at USD 65-70 billion in 2022 and is expected to reach approximately USD 100-110 billion by 2026, growing at a CAGR of approximately 10.00 - 12.00% during the period from 2022-2026 primarily driven by the rising introduction of new complex drugs. (Source: CRISIL Report) India's over-the-counter drug market size which stood at INR 310 billion in Financial Year 2022 is expected to grow at approximately 11.5-12% CAGR between Financial Year 2022 to Financial Year 2027 and reach approximately INR 535 - 545 billion. (Source: CRISIL Report) Basis the total revenue

of the Company for Fiscal 2023, the market share of the Company in the CDMO and CHG business segments is less than 0.5% while in the ICH (Indian OTC) segment, it is approximately 2.48%.

As market demand increases across the globe, we aim to study the markets and consumer needs and grow our businesses accordingly by maintaining an appropriate portfolio and provide those products and services which we consider will improve our profitability as well as utilise our capacities more efficiently. We will also focus our efforts on establishing effective relationships with existing and new customers and marketing partners to commercialise our portfolio of products and development services. We plan to expand our presence by launching new products and by increasing our customer and distributor base through marketing arrangements with local distributors and pharmaceutical companies. Our business development function supported by a strategic marketing team which develops market intelligence, will focus on building new strategies, drive lead generations, and design and execute marketing and branding initiatives to gain market share.

For the rest of the world markets (excluding India), we intend to continue working with business partners and distributors having a well-established local presence. To expand our reach to new markets, we are constantly looking for new business partnerships for growth. We will continue to evaluate new product opportunities leveraging the local market knowledge of our partners and initiate the development of products focused on such local market if we identify viable market opportunities and demand.

Continuing our focus on our quality and compliance track record

We have a consistent quality track record and have always been committed to scale up the standards of our development and manufacturing facilities and products to align with the dynamic industry and regulatory benchmarks. For information on our regulatory compliances, see “- Our Strengths - Consistent Regulatory Compliance Track Record” and “- Quality Control and Standards” on pages 140 and 150, respectively. The pharmaceutical industry is riddled with continuous change in regulatory and compliance requirements. Our Company strives to build a system to ensure continuous compliance. We have also created a quality management system framework that is implemented across all development and manufacturing facilities, and suppliers and have implemented several internal policies to maintain quality adherence across facilities. We plan to invest in qualified talent, technology, innovation, automation, infrastructure and enhance the quality oversight across all development and manufacturing sites.

Leveraging our integrated business model in the CDMO business

For information on our CDMO business, see “- Overview – CDMO”, “- Our Products and Services – CDMO” and “- Customers and Distribution Network – CDMO business” on pages 137, 143 and 149, respectively. The global CDMO market is estimated at USD 140 billion in the year 2022 and the market is expected to reach approximately USD 170 - 180 billion by 2026, due to robust growth in the outsourcing space. (Source: CRISIL Report) Leveraging on our integrated service offering for innovative and generic drugs across the drug lifecycle from discovery to commercial launch, and the growing CDMO market, we intend to expand our customer base and develop and manufacture newer products in the future. Our integrated platform benefits from our extensive network of discovery, development and commercial manufacturing capabilities located across sites. We believe customers would capitalize on the opportunity to outsource manufacturing of products to a player which provide integrated services as they would benefit from reduced time-to-market, lower operational complexity and decrease supply chain costs.

Building strong brands in the ICH business and tapping alternate distribution channels

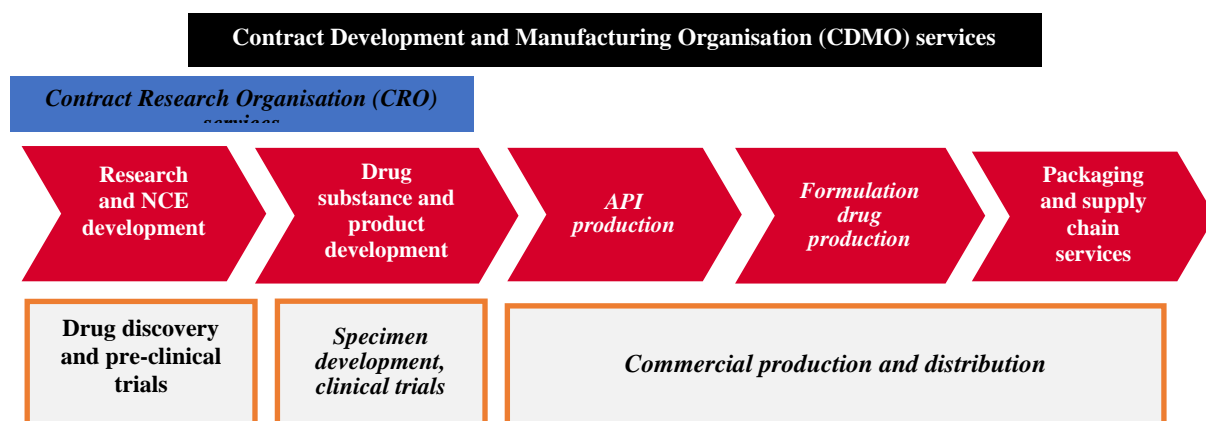
In the ICH business, we are witnessing a strong growth in brands like Little's, Lacto Calamine, Tetmosol, Polycrol, and I-range, which contributed 42.01% of the revenue from operations achieved from the ICH business during Financial Year 2023. The revenue from such brands grew at 37.30% year-on-year to ₹367.23 crore as on March 31, 2023 including, Little's and Lacto Calamine growing over 50% and 40%, respectively, year-on-year during Financial Year 2023. We improved the demand for our products and the distribution system by leveraging analytics and sales force automation tools. Further, we have technology enabled sales coverage to enhance the productivity of field force. To ensure continued growth in our sales, we are investing towards marketing and distribution capabilities in order to ensure that our brands are best in their respective segments. We have also launched our own website, wellify.in. During Financial Year 2023 and 2022, we launched 26 and 40 new products, respectively.

Our Products and Services

We operate under three business verticals – (i) Piramal Pharma Solutions (“PPS”), an integrated contract development and manufacturing organization (“CDMO”); (ii) Piramal Critical Care (“PCC”), a complex hospital generics business; and (iii) India consumer healthcare (“ICH”) business, selling over-the-counter products.

CDMO

The PPS vertical is a CDMO which provides integrated drug discovery, development, and manufacturing services for both drug substances i.e. APIs and drug products i.e. formulations across lifecycle of a molecule. We serve our customers through a globally integrated network of facilities.



Source: CRISIL Report

Drug discovery is the process of identifying chemical entities that have the potential to become therapeutic agents. A key goal is the recognition of new molecular entities that may be of value in the treatment of diseases. Our R&D centre in Ahmedabad, India offers a range of contract research services including medicinal chemistry, in-vitro ADME services, non-GMP kilo lab and analytical support services to support drug discovery activities.





We offer clinical development services from pre-clinical stage to phase III for various dosage form. Our drug development offerings include services in the areas of route scouting, process R&D, pre-formulation studies, pharmaceutical development services, analytical support services, regulatory services and clinical trial services. Further, we manufacture on-patented as well as off-patented products. Apart from the CDMO services, we also have a generic API division that offers over 30 off-patented APIs for global markets. Our APIs include Diltiazem Hydrochloride (anti-hypertensive), Ketoconazole (anti-fungal), Trazodone Hydrochloride (anti-depressant), Verapamil Hydrochloride (anti-hypertensive) and Mebeverine Hydrochloride (anti-spasmodic).

Additionally, we manufacture and supply vitamins and minerals ingredients and premixes for human nutrition and animal nutrition. These products are sold to pharmaceutical, nutraceutical, food and beverage, personal care, animal feed industries and government organizations.

CHG

Our CHG portfolio includes inhalation anaesthetic, intrathecal therapies for spasticity, injectable anaesthesia, pain management, and other therapies.

We are vertically integrated for inhalation anaesthesia and leverage our relationships with a global network of partners for our product portfolio across injectable pain management and intrathecal segments. We have a differentiated product portfolio of over 35 hospital-focused products sold in over 100 countries, as we serve hospitals, surgical centres, and veterinary clinics. Our products include, *inter alia*, the following:

Inhalation Anaesthesia Sevoflurane, Isoflurane, Desflurane, Halothane	Injectable Anaesthesia, Pain Management Fentanyl, Sufentanil, Alfentanil, Piritramide, Etomidate
	
Intrathecal Therapy Gablofen® and Mitigo™	Other Products Ampicillin, Miglustat, Linezolid Glycopyrolate, Rocuronium Bromide, Ceftriaxone and Cefepime
	

We believe capabilities in inhalation anaesthesia and intrathecal therapies are hard to acquire and capital intensive as specific medical devices are required for its administration as demonstrated below:

Inhalation Anaesthesia:

High entry barriers due to need for specific vaporizers for administration and large capex investments



Intrathecal Therapy:

High entry barriers due to the complexity in administering the drug Intrathecal Spasticity

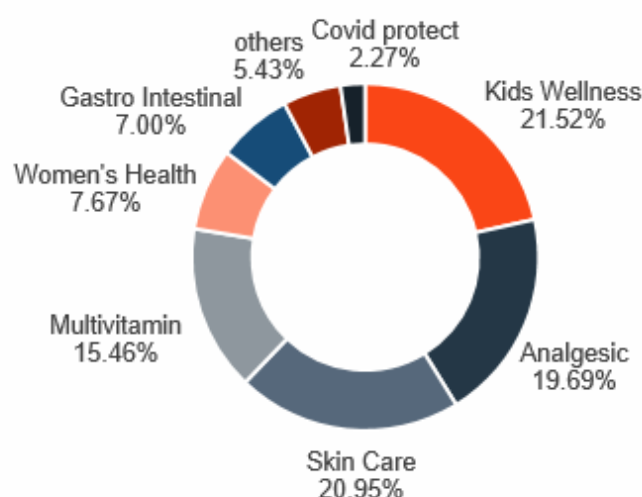


ICH

ICH business caters to the Indian OTC market. Our key brands include Little's in baby care segment, Lacto Calamine and Tetmosol in skin care segment, I-Pill in emergency contraceptive pill segment and Polycrol in the antacid segment. We also have a manufacturing and distribution agreement with Bayer Pharmaceuticals Private Limited ("Bayer") for their brands such as Saridon, Supradyn, Becozym and Benadon, among others. We sell our products to several stockists that has reach across chemist and cosmetics stores, kids' toys and gift shops, and modern trade stores. We also have launched our own direct-to-customer (D2C) platform, wellify.in.

PPL Brands		Bayer Brands	
Brand	Brand Category	Brand	Brand Category
Sloans	Analgesic/Joint pain relief	Saridon	Analgesic
Stop-AllerG	Antihistamine	Alaspan and Polaramine	Antihistamine
Digeplex, LactoBacil, Naturo lax and Polycrol	Digestive	Bayer's Tonic	Immunity builder
CIR	Geriatric care	Becozym C Forte, Benadon and Supradyn	Multivitamin
Tri-Activ	Health & Hygiene	Luciara, Mycospor and Canesten	Skin care
Waterbury's	Immunity Builder		
Ferradol	Iron Supplement		
Cub Care, Jungle Magic and Little's	Kids Wellness		
Quik Kool	Mouth ulcer gel		
Our Daily	Multivitamin		
Caladryl, Lacto Calamine, Neko and Tetmosol	Skin Care		
Nixit	Smoking Cessation		
i-activ, i-can, i-feel, i-know and i-pill	Women's intimate care		

Revenue break-up between different category of products in the ICH Business for FY 23



Manufacturing Operations

Development and Manufacturing Facilities

We have 17 development and manufacturing facilities across the globe with capabilities in sterile development and manufacturing, API development and manufacturing, formulation development and manufacturing, drug discovery and manufacturing of nutrition products. Our facilities at Ahmedabad PDS, Ahmedabad PPDS, Ennore and Rabale have been recognised by the Department of Scientific and Industrial Research.

Details of our manufacturing facilities are as follows:

Sr. No.	Facility	Location	Capability
1.	Ahmedabad PDS*	India	R&D - Discovery services
2.	Ahmedabad PPDS*		Formulation Development
3.	Pithampur		Formulation Manufacturing
4.	Dahej		Intermediates manufacturing - Anaesthesia Manufacturing
5.	Digwal		API and Intermediates manufacturing
6.	Ennore		API and Intermediates manufacturing
7.	Mahad		Nutrition and pharma products
8.	Turbhe		API manufacturing - Peptide API Development and Manufacturing
9.	Thane		R&D
10.	Rabale		R&D - API Development
11.	Lexington	USA	Sterile Development and Manufacturing
12.	Riverview		HPAPI Development and Manufacturing
13.	Sellersville		Formulation manufacturing and development
14.	Bethlehem		API and formulation manufacturing - Anaesthesia Manufacturing
15.	Morpeth	UK	API and Formulation manufacturing
16.	Grangemouth		ADC development and manufacturing
17.	Aurora	Canada	API manufacturing and development

**The Ahmedabad PDS and Ahmedabad PPDS facilities are located on the same manufacturing site adjacent to each other*

The following table sets forth information relating to the aggregate installed production capacities for our products manufactured at our development and manufacturing facilities as of March 31, 2023, March 31, 2022 and March 31, 2021:

Products/ Dosage Forms	Units	Installed Capacity			Actual Production			Utilization (%)		
		Financial Year 2023	Financial Year 2022	Financial Year 2021	Financial Year 2023	Financial Year 2022	Financial Year 2021	Financial Year 2023	Financial Year 2022	Financial Year 2021
APIs and Intermediates	KLD	368,460	363,831	350,530	180,902	262,963	252,060	49	72	72
Oral Solids	MIO	13,164	12,014	12,684	4,255	5,131	5,338	32	43	42
Ophthalmic	MIO	72	72	72	30	43	38	42	60	53
Liquid Formulations	MIO	6	6	6	6	4	4	90	73	64
Solid Pre-mixes	MT	3,551	3,551	2,676	1,295	1,096	999	36	31	37
Liquid Pre-mixes	KL	1,260	1,260	1,710	243	242	286	19	19	17
Vial Batches	Number of Batches	93	93	81	53	61	64	57	66	79

Following is the methodology used for calculation of the installed capacity:

1. API and Intermediaries are calculated in Kilo Litre Days based on the number of days occupied by each product in manufacturing equipment train (e.g., reactors) multiplied by total reactor volumes (in Kilo Litres) required for each product.
2. Oral Solids, Ophthalmic, Liquid Formulations, Solid Pre-mixes, Liquid Pre-mixes, and Vial Batches are calculated based on the number of days required to manufacture existing product mix and volumes, the total number of working days, and existing shift pattern.
3. The number of working days has been calculated as: Available days (365) – public holidays – weekly offs – maintenance losses (planned or breakdown)
4. Shift patterns may vary across sites
5. Oral Solids includes capacities dedicated to select categories of products (e.g. prostaglandins) with limited/ no fungibility to manufacture alternate products

Note:

While we have the capability and capacity to manufacture creams and ointments at the Sellersville facility, this line is currently not operational.

Raw Material and Other Suppliers

Raw materials essential to our business are procured in the ordinary course of business from numerous suppliers, including domestic and international suppliers. We also rely on third parties for manufacturing some of our finished products. The following table sets forth the details of geography wise break up of procurement of raw materials and finished products for the Financial Years 2023 and 2022 and Financial Period ended March 31, 2021, as a percentage of total procurements of the Company during these periods:

Geography	Total procurement from the geography as a % of total procurement of the Company for that period		
	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
India	47.98	48.64	39.34
USA	16.89	11.97	16.16
United Kingdom	9.80	10.34	10.10
China	8.69	8.22	9.84
Belgium	1.42	5.07	6.64
Canada	2.67	3.69	2.92
Others	12.55	12.08	15.01
Total	100.00	100.00	100.00

The key raw materials that we use for our manufacturing operations include APIs for our formulations, key starting materials and intermediaries for our internally manufactured APIs and other materials such as excipients, manufacturing consumables, lab chemicals, packaging materials. We also procure packaging materials from vendors spread in different geographies. Further, for our ICH business, our key products like baby diapers, baby wipes, medicated soap, lacto lotions and antacid liquids are manufactured by third parties and for our CHG business, we procure injectable pain management products, intrathecal products and other injectable products manufactured by third parties. Our raw material and finished goods suppliers are primarily located in India, US, Europe and China. We source the raw materials, packaging materials and finished good from vendors who provide materials of suitable quality in accordance with applicable requirements in the relevant markets.

In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. We procure our raw material from various sources. For further details on our risk with respect to the raw materials procured by us, please see “*Risk Factors – 2. As of March 31, 2023, 25.17% and 13.45% of raw materials for our products and finished formulations were supplied by third party suppliers and manufactures, respectively, as a percentage of total revenue of our Company for these periods. Any deterioration in the quality of raw materials and finished formulations or delay, interruption or shortage in the supply of our raw materials or finished formulations from our third-party suppliers and manufacturers, or an increase in the costs of such raw materials and finished formulations, may adversely impact the pricing and supply of our products and have an adverse effect on our business, financial condition, cash flows and results of operations.*” on page 19.

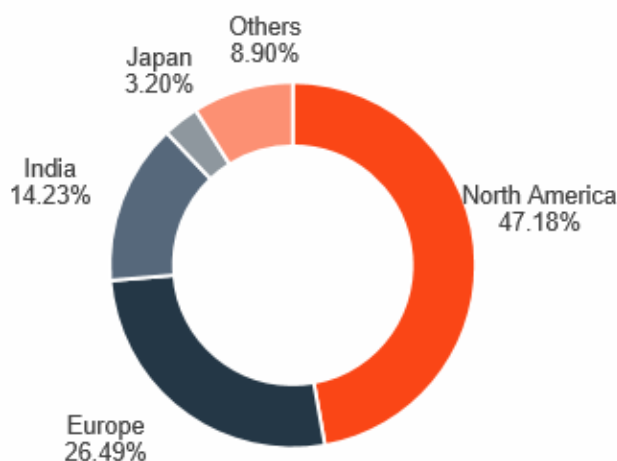
We also purchase plant and machinery for our development and manufacturing facilities, such as centrifuge, tablet inspection machine, spectrometer and isolator, among others, from domestic and international suppliers.

We assess the reliability of all materials and machinery purchased to ensure that they comply with the rigorous quality and safety standards required for our products. We have internal policies at every development and manufacturing facility to evaluate our suppliers and potential suppliers based on a number of factors. Potential vendors are required to fill out vendor questionnaires such as (i) their formal accreditation, certifications and regulatory approvals, (ii) lead-time needed in satisfying our orders, (iii) price of their supplies, (iv) quality of their supplies and (v) results of our on-site inspections.

Customers and Distribution Network

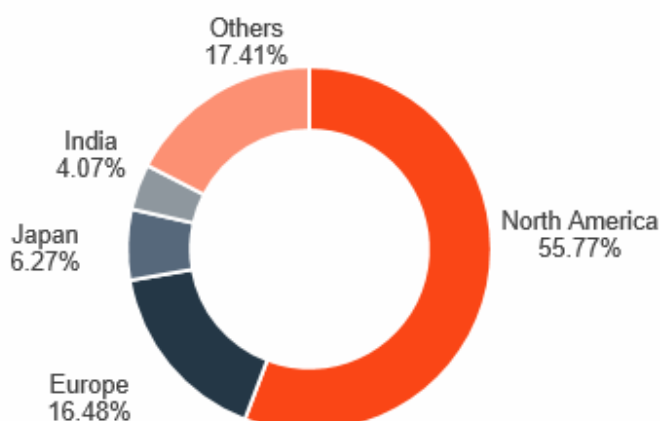
CDMO Business: Our extensive network of facilities across North America, UK, and India providing global delivery capabilities help us cater to a large, diversified customer base across geographies as demonstrated below:

Geographical Revenue break-up in the CDMO Business for FY 23



CHG Business: Our CHG business is present in over 100 countries, and our products are sold to hospitals, surgical centres, and veterinary clinics. We have a sales force of 52 employees in the US and maintain consistent relationships with GPOs. We also have direct to market access in key European countries and have local marketing partnership in Japan and South Africa.

Geographical Revenue break-up in the CHG Business in FY 23



ICH Business: Our OTC products are distributed through a wide distribution network where we partner with various distributors who in turn supply to several chemists, grocers, modern trade, and kids stores across the country and are listed on many e-commerce portals. We also have launched our own direct-to-customer platform, wellify.in. We have also entered into agreements with media houses to manage our social media platforms and promote our brands.

Quality Control and Standards

We place significant emphasis on providing quality products and services to our customers and have deployed a quality governance model across development and manufacturing facilities. We have internal policies in place which provides for process validation protocols and acceptance criteria for drugs manufactured by us. The policies formulated by us also provides guidelines for identification, development, qualification and approvals of vendors supplying API raw materials and packing materials required for the products to ensure the consistent quality of the drugs manufactured. Our products are subjected to all required quality check points to ensure it is of a standard quality. Our pharmacovigilance team closely tracks risks, if any, with the products and ensure safety. Further, we have employed certain softwares to track any incidents and/ or any material weaknesses in the internal controls systems which may take place at development and manufacturing facilities.

We also have processes in place for identifying, evaluating and training the employees engaged in any aspect of processing, testing, providing support and maintenance related to the manufacturing of API. Our quality management system is independent of our businesses and reports directly to the Chairperson of the Board. Since incorporation, we have had USFDA inspections

at three of our developing and manufacturing facilities in the US - with respect to the Riverview development and manufacturing facility, while USFDA provided a few verbal remarks such as issues pertaining to the disclosure of details of historical review and identification of swabbing locations, for which the Company has undertaken appropriate corrective action to rectify it, we received nil observations. In relation to the Lexington and Sellersville development and manufacturing facilities, we had received six and two observations, respectively, classified as voluntary action indicated. We have responded to the observations and the establishment inspection reports have thereafter been issued by the USFDA for the Lexington and Sellersville facilities. Further, in relation to the Digwal and Pithampura development and manufacturing facilities, we received zero observations from the USFDA as on the date of this Letter of Offer.

Our development and manufacturing unit located in India have obtained the following certifications:

Development and Manufacturing Facility	Certifications
Ahmedabad PPDS	ISO 14001:2015 and ISO 45001:2018 for Pharmaceuticals development services related to formulation development & clinical manufacturing of solid oral dosage forms, analytical testing and stability studies.
Pithampur	<ul style="list-style-type: none"> ISO 14001:2015 and ISO 45001:2018 for manufacturing, packaging and dispatch of pharmaceuticals dosage forms and contact lens care products EN ISO 13485:2016 issued by TUV Rheinland LGA Products GmbH for manufacturing and distributing contact lens cleaning solution and contact lens cleaning tablets
Digwal	ISO 14001:2015, ISO 45001:2018, ISO 9001:2015 for developing, purchasing, manufacturing, marketing and dispatching of drug products, API, intermediates and formulations
Ennore	ISO 9001:2015 for design, development and manufacture of active pharmaceutical ingredients and intermediaries
Mahad	<ul style="list-style-type: none"> ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 for manufacturing and dispatch of Pharmaceuticals dosage forms – Liquid Orals, Tablets and Powders, Spray dried powders, Vitamin and mineral pre-mixes as food ingredients and supplements in liquid and powder form for Human nutrition Health. FSSC 22000 for manufacturing of vitamin and minerals premixes in liquid forms, powder, granules as food ingredients and food supplements.
Dahej	ISO 14001:2015, ISO 45001:2018, ISO 9001:2015 for manufacturing, packaging, testing and release of Organic and Inorganic chemical compounds.

Awards and Recognition

We have won several awards, recognitions and accolades since incorporation including, *inter alia*, ‘OTC Company of the Year’ at the India Pharma World Awards held in 2022, ‘2021 Global Contract Development and Manufacturing Organization Customer Value Leadership Award’ 2021 and MEASA Best Practices Awards awarded by Frost & Sullivan. Further, our Subsidiary, Piramal Pharma Solutions was recognised as one of the winners at the CMO Leadership Awards 2022 in six categories namely, service, capabilities, compatibility, quality, reliability and expertise and ‘Top Indian BioServices Company’ at the BioSpectrum India Excellence Awards 2023. Our directors have also been recognised for their expertise at various platforms. For information, see “*Our Management*” on page 155.

Employees

As of March 31, 2023 we had 6,295 full-time employees and 2,078 contract labourers. Our personnel policies are aimed at recruiting talented individuals and promoting the development of their skills, including through in-house as well as external training programmes. We have added 351 employees to our business development team to drive demand at strategic sites.

The following table sets forth our employee split by function as of March 31, 2023:

Job function	India	Outside India	Total
Production and Manufacturing	1,154	354	1,508
Sales/ Business Development	869	112	981
R & D	683	39	722
Quality Control	316	130	446
Engineering	270	83	353
Quality Assurance	203	138	341
Supply Chain	187	65	252
Finance	81	38	119
Analytical Development	70	43	113
EHS	86	26	112
Human Resources	96	11	107
Information Technology	77	23	100
Others	552	589	1,141
Total	4,644	1,651	6,295

ESG

Our Company has implemented several ESG initiatives including water and resource conservation, expanding the share of renewable energy by engaging a third party vendor to harness wind-solar hybrid power and planting trees across our development and manufacturing sites. Further, we have equipment on some of our development and manufacturing facilities to process hazardous waste. We have also tied up with a third party to develop a decarbonization plan to reduce green-house gas emissions. These initiatives have helped our Company to integrate sustainability practices across its functions and value chain.

Intellectual Property

The “Piramal” brand along with other ancillary trademarks have been licensed to us by Piramal Corporate Services Private Limited (“PCSP”), in which our Promoter, Mr. Ajay G Piramal, is interested by virtue of being a promoter and a significant beneficial owner of PCSP, through a Brand License and Advisory Services Agreement dated October 6, 2020 amended pursuant to amendment agreement dated May 28, 2021 (“Agreement”). Further, pursuant to the Agreement, PCSP has agreed to provide certain advisory services to our Company, including, *inter alia*, (i) assistance on financial matters including arranging loans; (ii) evaluating investment alternatives; (iii) assist in promoting the brand of our Company; and (iv) project management related work. In consideration for the license granted and advisory services, our Company is paying a royalty fee equivalent to 0.75% of the gross revenue of the Financial Year payable bi-annually. The Agreement is valid until October 6, 2030 and is renewable by mutual consent.

Trademarks and other proprietary rights are essential to our business. We also rely on patents, trade secrets, know-how and confidentiality agreements to develop, maintain and strengthen our competitive position. We have confidentiality agreements with our business partners and customers.

Trademarks

As of the date of this Letter of Offer, our Company and its Subsidiaries had a total of 513 registered trademarks in India and 472 registered trademarks outside India across 113 countries. Further, there are currently 96 and 14 trademark registration applications currently pending in India and outside India, respectively. Additionally, our Company has in-licensed two trademark applications which are registered.

Patents

As of the date of this Letter of Offer, our Company and its Subsidiaries have 18 patent applications that have been granted and 30 pending applications in India. Further, there are 29 patent applications that have been granted and 23 currently pending outside India primarily in US. Additionally, our Company and its Subsidiaries have also made an application to in-license one patent which is currently pending in India. One of our process patents registered in Japan and held by one of our Material Subsidiaries, Piramal Critical Care, Inc., will expire by April 18, 2026. See “*Risk Factors - 22.If we are unable to protect our intellectual property and proprietary information, or if we inadvertently infringe the intellectual property rights of others, our business, financial condition, cash flows and results of operations may be adversely affected*” on page 33.

Copyrights

As of the date of this Letter of Offer, our Company has 10 registered copyrights in India.

Designs

As of the date of this Letter of Offer, our Company has filed 15 design applications, of which 14 are registered and one is pending in India.

Insurance

We maintain insurance policies for our development and manufacturing facilities, offices, including buildings, machinery and inventories, consequential damages such as loss of profit, coverage for risks during the shipment of products, public liability coverage, cyber policy, product liability coverage such as in cases of product recalls or health issues arising from the use of our products, workmen compensation, group health policy, group personal accident and group term life insurance for employees. In addition, we also maintain insurance policies covering directors' and officers' liability. We are not insured against environmental damages, terrorist acts and war related events. We seek to maintain insurance coverage that is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. For example, in the case of business interruption, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Property

The following table sets forth the details of our registered office and our 17 development and manufacturing facilities:

Sr. No.	Name of the Facility	Location	Owned/Leased by the Company/its Subsidiaries	Whether property owned/leased from any Related Party	Term and Expiry	Whether Lease Agreement is registered or not
1.	Ahmedabad PDS	India	Leased	No	99 years	Yes
2.	Ahmedabad PPDS	India	Leased	No	99 years	Yes
3.	Pithampur	India	Leased	No	99 years	Yes
4.	Dahej	India	Leased	No	99 years	Yes
5.	Digwal	India	Owned	N.A.	N.A.	N.A.
6.	Ennore	India	Owned	N.A.	N.A.	N.A.
7.	Mahad	India	Leased	No	95 years	Yes
8.	Turbhe	India	Leased	No	95 years	Yes
9.	Thane	India	Leased	No	99 years	Yes
10.	Rabale	India	Leased	No	5 years expiring on May 10,2025	Yes
11.	Lexington	USA	Leased	No	99 years	N.A.
12.	Riverview	USA	Owned	N.A.	N.A.	N.A.
13.	Sellersville	USA	Owned	N.A.	N.A.	N.A.
14.	Bethlehem	USA	Owned	N.A.	N.A.	N.A.
15.	Morpeth	UK	Owned + Leased	No	1% of the site is on a 999 years lease	Yes
16.	Grangemouth	UK	Leased	No	175 years	Yes
17.	Aurora	Canada	Owned	No	NA	N.A.
18.	Registered Office	India	Owned	N.A.	N.A.	N.A.

Competition

According to the CRISIL Report, generics of complex brand name drugs are difficult to develop and require deep understanding and development process which has often acted as a key entry barrier for players entering the complex generic space. Further, with the growing pressure to develop and supply drugs in the competitive and high-investment cost pharmaceuticals market with increasing global pharmaceutical demand, pharmaceutical companies are increasingly opting for outsourcing opportunities (*Source: CRISIL Report*). The time-to-market of new products is an important source of pharmaceutical player's competitive advantage (*Source: CRISIL Report*). Additionally, the Indian OTC drugs market is competitive in nature as several FMCG players, along with pharmaceutical players, compete in the same market (*Source: CRISIL Report*). The key competitors of our Company include (i) in the CDMO market – Lonza, Catalent, Siegfried and Divi's Laboratories Limited; and (ii) in the ICH market – Abbott India Limited and P&G Health Limited (*Source: CRISIL Report*).

Corporate Social Responsibility

We seek to be a socially responsible Company and corporate social responsibility is an integral part of our operations. Piramal Foundation ("Foundation"), the Piramal group's humanitarian arm, is responsible for our corporate social responsibility activities. We donate our CSR expenditure for the Financial Year to the Piramal Foundation. Our CSR activities are guided by

our CSR Policy and the focus areas for our CSR projects are decided by the CSR Committee, in line with provisions of the Companies Act, 2013.

We incurred ₹7.58 crore during Financial Year 2023 on corporate social responsibility expenditures.

OUR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI LODR Regulations and the Articles. In accordance with the Articles, subject to the provisions of the Companies Act, 2013 and unless and until otherwise agreed and determined by our Company by a special resolution, the Board shall consist of minimum three Directors and maximum 15 Directors. As on the date of this Letter of Offer, our Board comprises 10 Directors, including three Executive Directors, two Non-Executive Directors, and five Non-Executive Independent Directors.

The following table provides details regarding the Board of Directors of our Company as of the date of filing this Letter of Offer:

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Nandini Ajay Piramal <i>Address:</i> 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400 018, Maharashtra, India <i>Designation:</i> Chairperson and Executive Director <i>Occupation:</i> Industrialist <i>Term:</i> Three years with effect from April 1, 2021 and liable to retire by rotation <i>Period of Directorship:</i> Director since March 4, 2020 <i>DIN:</i> 00286092 <i>Date of Birth:</i> October 26, 1980	42	<i>Indian Companies</i> <ul style="list-style-type: none"> Montane Ventures Private Limited; Piramal Enterprises Limited; Piramal Udgam Data Management Solutions; Piramal Water Private Limited; and The Swastik Safe Deposit and Investments Limited <i>Foreign Companies</i> Nil
Peter Daniel DeYoung <i>Address:</i> 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli Sea Face, Worli, Mumbai 400 018, Maharashtra, India <i>Designation:</i> Executive Director <i>Occupation:</i> Industrialist <i>Term:</i> Three years with effect from October 6, 2020 and liable to retire by rotation <i>Period of Directorship:</i> Director since March 4, 2020 <i>DIN:</i> 07152550 <i>Date of Birth:</i> April 20, 1978	45	<i>Indian Companies</i> Nil <i>Foreign Companies</i> <ul style="list-style-type: none"> PEL Pharma Inc.; Piramal Critical Care B.V.; Piramal Critical Care Inc.; Piramal Critical Care Italia S.P.A.; Piramal Critical Care Limited; Piramal Critical Care Pty Limited Piramal Critical Care South Africa (Pty) Limited; Piramal Dutch IM Holdco B.V. (under the process of liquidation); Piramal Dutch Holdings N.V.; Piramal Healthcare (Canada) Limited; Piramal Healthcare, Inc.; Piramal Healthcare UK Limited; and Piramal Pharma Solutions, Inc.
Vivek Valsaraj <i>Address:</i> Flat No. C -1403/04, 14 th Floor, Tribeca CHS Ltd., Hiranandani Estate, Ghodbundar Road, Patalipada, Thane (West) 400 607, Maharashtra, India <i>Designation:</i> Executive Director and Chief Financial Officer <i>Occupation:</i> Service <i>Term:</i> Three years with effect from February 9, 2022 and liable to retire by rotation <i>Period of Directorship:</i> Director since February 9, 2022	49	<i>Indian Companies</i> <ul style="list-style-type: none"> Allergan India Private Limited <i>Foreign Companies</i> <ul style="list-style-type: none"> Piramal Critical Care Inc.; Piramal Healthcare (Canada) Limited; and Piramal Healthcare UK Limited

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
DIN: 06970246 Date of Birth: August 12, 1973		
Neeraj Bharadwaj* Address: A-187, New Friends Colony, South Delhi, New Delhi 110 065, India Designation: Non-Executive Director Occupation: Service Term: Liable to retire by rotation Period of Directorship: Director since October 6, 2020 DIN: 01314963 Date of Birth: December 18, 1968	54	Indian Companies <ul style="list-style-type: none"> Carlyle India Advisors Private Limited; Corrohealth Infotech Private Limited; Foundation for Promotion of Sports and Games, (OGQ); Hexaware Technologies Limited; Indegene Limited; Indian School of Business; Nxtra Data Limited; Sequent Scientific Limited; Ver Se Innovation Private Limited; Viyash Lifesciences Private Limited; and VLCC Healthcare Limited Foreign Companies <ul style="list-style-type: none"> Foundation for Promotion of Sports and Games, USA; Friends of the Indian School of Business Foundation, USA; and Saama Technologies LLC
Nathalie Ann Leitch Address: 1110 Hudson St Apt 5, 5N Hoboken, NJ-07030-5318, New Jersey 07030, USA Designation: Non-Executive Director Occupation: Retired professional Term: Liable to retire by rotation Period of Directorship: Director since May 24, 2022 DIN: 09557042 Date of Birth: December 29, 1967	55	Indian Companies Nil Foreign Companies <ul style="list-style-type: none"> PEL Pharma Inc.
Jairaj Manohar Purandare Address: 1, Lalit, 37, Nathalal Parekh Marg, Wodehouse Road, Near Badhwar Park, Mumbai 400 001, Maharashtra, India Designation: Non-Executive Independent Director Occupation: Advisor – Tax & Regulatory Term: Five years with effect from February 9, 2021 Period of Directorship: Director since February 9, 2021 DIN: 00159886 Date of Birth: June 30, 1959	64	Indian Companies <ul style="list-style-type: none"> CIE Automotive India Limited; HDFC Asset Management Company Limited; Indegene Limited; and JMP Advisors Private Limited Foreign Companies Nil
Peter Andrew Stevenson Address: 2200 N Ocean Blvd, Apt S 1001 Fort Lauderdale, 2087 Florida 33305, USA Designation: Non-Executive Independent Director	70	Indian Companies Nil Foreign Companies <ul style="list-style-type: none"> Piramal Critical Care, Inc; and

Name, Address, Designation, Occupation, Term, Period of Directorship, DIN and Date of Birth	Age (in years)	Other Directorships
Occupation: Retired pharma professional Term: Five years with effect from March 30, 2022 Period of Directorship: Director since March 30, 2022 DIN: 09544706 Date of Birth: February 03, 1953		<ul style="list-style-type: none"> Piramal Healthcare UK Limited
Ramadorai Subramanian Address: Flat No. 1, Wyoming, Little Gibbs Road, Malabar Hill, Mumbai 400 006, Maharashtra, India Designation: Non-Executive Independent Director Occupation: Retired Professional Term: Five years with effect from February 9, 2021 Period of Directorship: Director since February 9, 2021 DIN: 00000002 Date of Birth: October 06, 1944	78	Indian Companies <ul style="list-style-type: none"> British Asian India Foundation; Centre for Asian Philanthropy India; DSP Asset Managers Private Limited; Institute for Policy Research Studies; Piramal Enterprises Limited; and Karmayogi Bharat Foreign Companies <ul style="list-style-type: none"> Nil
Sridhar Gorthi Address: 1002, 10 th Floor, June Blossoms, Manuel Gonsalves Road, Near Saint Peters Church, Bandra (West), Mumbai 400 050, Maharashtra, India Designation: Non-Executive Independent Director Occupation: Professional lawyer Term: Five years with effect from March 30, 2022 Period of Directorship: Director since March 30, 2022 DIN: 00035824 Date of Birth: July 31, 1972	50	Indian Companies <ul style="list-style-type: none"> Aurous Communications and Events India Private Limited (<i>under the process of striking off</i>); Exide Industries Limited; Glenmark Life Sciences Limited; Glenmark Pharmaceuticals Limited; and Hathaway Cable and Datacom Limited Foreign Companies <p>Nil</p>
Vibha Paul Rishi Address: Flat No. CM-519B, The Camellias, Golf Course Road, DLF Phase 5, Galleria DLF IV, Gurgaon 122 009, Haryana, India Designation: Non-Executive Independent Director Occupation: Professional Term: Five years with effect from August 30, 2022 Period of Directorship: Director since August 30, 2022 DIN: 05180796 Date of Birth: June 19, 1960	63	Indian Companies <ul style="list-style-type: none"> Asian Paints Limited; ICICI Bank Limited; ICICI Prudential Life Insurance Company Limited; Pratham Education Foundation; and Tata Chemicals Limited Foreign Companies <ul style="list-style-type: none"> Tata Chemicals North America Inc., USA; TCE Group Limited, UK; Valley Holdings, Inc.; and Gusiute Holdings (UK) Limited

* Nominee of CA Alchemy Investments

Relationship between our Directors

None of the Directors are related to each other except for Nandini Ajay Piramal, who is married to Peter Daniel DeYoung.

Brief Biographies of Directors

Nandini Ajay Piramal is the Chairperson and Executive Director of our Company. She holds a bachelor's of arts (honours) degree in philosophy, politics and economics from Hertford College, University of Oxford and a master's degree in business administration from the Leland Stanford Junior University, USA. She heads the human resources function, the information technology function and handles the quality unit of our Company. She is also an advisor to Piramal Foundation and Piramal Sarvajal. In 2020, she was recognized amongst 'India's Most Powerful Women' by Business Today and in 2014, the World Economic Forum recognized her as a 'Young Global Leader'.

Peter Daniel DeYoung is an Executive Director of our Company and the Chief Executive Officer of Piramal Global Pharma. He holds a bachelor's degree in science (engineering) from Princeton University, USA, where he graduated summa cum laude. He also holds a master's degree in business administration from the Leland Stanford Junior University, USA. He was designated as 'Arjay Miller Scholar' by Stanford University. He has spearheaded several leadership mandates at the Piramal group, including as the chief executive officer of Piramal Critical Care and President, Piramal Life Sciences. Previously he worked at McKinsey & Company and at Blackstone Advisors India Private Limited, in its private equity business group. He was also seconded by McKinsey & Company to the World Economic Forum.

Vivek Valsaraj is an Executive Director and the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Bombay and he is an associate member of Institute of Cost Accountants of India. He is currently overseeing the finance and shared services functions of our Company. He has been associated with the Piramal group for over 22 years and has served various roles across corporate and the domestic formulations business. Over the last several years, he has been closely associated with Piramal group's pharma business and has been a part of several key acquisitions and capital raising. He has also played a key role in streamlining and finessing systems, processes, and internal controls. He has previously worked with Wockhardt Limited and Bharat Bijlee Limited and has several years of experience in the field of finance.

Neeraj Bharadwaj is a Non-Executive Director of our Company. He holds a bachelor's degree in science (economics) from University of Pennsylvania, USA, where he graduated summa cum laude and a master's degree in business administration from Harvard University, USA. He is currently the managing director of Carlyle India Advisors Private Limited which is focused on growth capital and buyout opportunities across sectors in India. He currently serves on the board of directors of Hexaware Technologies Limited, Indegene Limited, Nextra Data Limited, Sequent Scientific Limited, CorroHealth Infotech Private Limited, and others. Previously, he served on the boards of Delhivery Limited, Global Health Limited, Metropolis Healthcare Limited, and others. Further, he is also appointed on the governing board of Indian School of Business, board of directors of Olympic Gold Quest, and as the chairman of the Private Equity and Venture Capital committee of the Federation of Indian Chambers of Commerce & Industry. He has been recognised as a 'Young Global Leader' by World Economic Forum.

Nathalie Ann Leitch is a Non-Executive Director of our Company. She holds a bachelor's degree in science from Trinity College, University of Toronto, and a master's degree in business administration from Queen's University, Kingston Canada. Previously, she has held senior positions with Actavis, Inc., Teva Pharmaceuticals Industries Limited and Fresenius Kabi USA, LLC and has several years of experience in the pharmaceutical markets.

Jairaj Manohar Purandare is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in science from University of Bombay and is a qualified chartered accountant. He has also completed the 'WPO Harvard's President Program' conducted by Harvard Business School, USA. He is the founder chairman of JMP Advisors Private Limited. He was the head of tax practice at Arthur Andersen, chairman at Ernst & Young, LLP and executive director at PricewaterhouseCoopers Pvt Ltd where he was also the member of India leadership team as PwC markets and industries leader and western India region managing partner. He was a member of the Central Direct Taxes Advisory Committee of the Government of India constituted in 2008. He is a member of the YPO Gold Mumbai Chapter. He has several years of experience in taxation. He has advised clients across various industries such as financial services, infrastructure, power, telecom, media, pharma and auto sectors.

Peter Andrew Stevenson is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in arts from Gettysburg College, USA. He currently serves on the board of Uniting to Combat Neglected Tropical Diseases. In 2019, he retired from Pfizer from the role of Vice President, General Manager, Pfizer CenterOne.

Ramadorai Subramanian is a Non-Executive Independent Director of our Company. He holds a bachelor's degree in science (physics- honours) from University of Delhi, India and a bachelor's degree in electrical communication engineering from the India Institute of Science, Bangalore, India. He was admitted into University of California, Los Angeles, USA in the masters of science program and has completed the 'program for senior executives' from Sloan School of Management, Massachusetts Institute of Technology, USA. Previously, he was appointed as an advisor to the Prime Minister on the Prime Minister's National Skill Development Council and as the chairman of National Skill Development Corporation, the chairman of National Skill Development Agency (which subsumed the National Council on Skill Development), a public interest director and chairman on the board of Bombay Stock Exchange and was nominated as the nominee of Sir Dorabji Tata Trust on the governing council of National Institute of Advances Studies, Bengaluru. He is currently the chairman of the governing board of Kalakshetra Foundation, the chairperson and non-executive director on the board of Karmayogi Bharat, and the chairman of Public Health Foundation of India's executive committee. He was awarded the Padma Bhushan (India's third highest civilian

honour) in 2006. Further, he was conferred with the ‘Honorary Commander of the Order of the British Empire’ by Queen Elizabeth II.

Sridhar Gorthi is a Non-Executive Independent Director of our Company. He holds a bachelor’s degree in arts and law (honours) from the National Law School of India University, Bengaluru, India and is registered as an advocate with Bar Council of Maharashtra & Goa. He is a founding partner of the law firm, Trilegal. He is a part of the corporate practice group. He has been involved in several cross-border and domestic transactions. His experience spans an array of sectors, including manufacturing, pharmaceuticals, insurance, banking and financial services, technology, telecom and media. His domain knowledge has earned him the recognition of a ‘Leading Individual – Corporate/M&A’ by the Asia-Pacific Legal 500, from 2018 to 2020 and a ‘Distinguished practitioner’ for M&A and Private Equity by the Asia law Profiles. His name also lists as a ‘Highly Regarded’ lawyer by the IFLR1000 Asia Pacific 2020. He is among India Business Law Journal’s ‘A-list’ of top 100 lawyers in India, and among Chambers and Partners’ Asia Pacific’s leading lawyers in India for Banking and Finance (2014-2021).

Vibha Paul Rishi is a Non-Executive Independent Director of our Company. She holds a bachelor’s degree in economics from Lady Sri Ram College, University of Delhi, India and holds a master’s degree in business administration from Faculty of Management Studies, University of Delhi. Previously she worked with Tata Administrative Services and was part of Titan Watches’ founding team, PepsiCo, Max India Ltd and the Future Group. She currently serves on the board of several reputed companies including Tata Chemicals Limited, ICICI Bank Limited, ICICI Prudential Life Insurance Company Limited, and Asian Paints Limited. She is also on the board of Pratham, an NGO that works to provide education to underprivileged children in India.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, the equity shares of which have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last five years immediately preceding the date of filing of this Letter of Offer.

Corporate Governance

The provisions of the SEBI LODR Regulations with respect to corporate governance are applicable to us. We are in compliance with the requirements of the applicable provisions of SEBI LODR Regulations and the Companies Act, 2013, in respect of corporate governance including in respect of the constitution of the Board and committees thereof and separation of the Board’s supervisory role from the executive management team. Further, our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI LODR Regulations.

Committees of our Board

In addition to the committees of our Board detailed below, our Board may, from time to time constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Jairaj Manohar Purandare (<i>Non-Executive Independent Director</i>)	Chairman
2.	Ramadorai Subramanian (<i>Non-Executive Independent Director</i>)	Member
3.	Sridhar Gorthi (<i>Non-Executive Independent Director</i>)	Member

The Audit Committee was last reconstituted pursuant to a resolution passed by our Board on July 6, 2022. The scope and functions of the Audit Committee and its terms of reference are in accordance with Section 177 of the Companies Act, 2013 and the SEBI LODR Regulations and *inter alia*, include:

- Recommending the appointment, remuneration and terms of appointment of auditors of our Company;
- Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
- Approving, including any subsequent modifications of, transactions of our Company with related parties;
- Undertaking scrutiny of inter-corporate loans and investments;

- (e) Undertaking valuation of undertakings or assets of our Company, wherever it is necessary;
- (f) Evaluation of internal financial controls and risk management systems;
- (g) Establishing, monitoring, reviewing and overseeing the vigil mechanism/ whistle blower mechanism for directors and employees to report genuine concerns or grievances;
- (h) Granting omnibus approval for related party transactions proposed to be entered into by our Company subject to conditions as may be specified by the Board, Companies Act or SEBI LODR Regulations;
- (i) Undertaking reviews in line with the requirements of the 'Forex Risk Management Policy' of our Company as may be amended from time to time;
- (j) Considering and approving an anti-corruption policy to be adopted by our Company and amendments thereto, from time to time;
- (k) Reviewing the financial statements, in particular, the investments made by unlisted subsidiaries of our Company;
- (l) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (m) Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- (n) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (o) Reviewing with the management the statement of uses/ application of funds raised through an issue (public issues, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (p) Reviewing with the management, the annual financial statements and the auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) Matters require to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section (3) of Section 134 of Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report;
- (q) Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
- (r) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading of the department, reporting structure coverage and frequency of internal audit;
- (s) Discussing with internal auditors of any significant findings and follow up thereon;
- (t) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board;
- (u) Discussing with statutory auditors before the audit commences, the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (v) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- (w) Approving the appointment of chief financial officer after assessing the qualifications, experience, and background, etc. of the candidate;
- (x) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
- (y) Reviewing the management discussion and analysis of financial condition and results of operations;
- (z) Reviewing management letters/ letters of internal control weaknesses issued by the statutory auditors;
- (aa) Reviewing internal audit reports relating to internal control weaknesses;
- (bb) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor;
- (cc) Reviewing statement of deviations of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI LODR Regulations;
- (dd) Reviewing statement of deviations of annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR Regulations;
- (ee) Examining financial statement and the auditors' report thereon;
- (ff) Monitoring the end use of funds raised through public offers and related matters;
- (gg) Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), at least once in a financial year and verifying that the systems for internal control are adequate and are operating effectively;
- (hh) Recommending the appointment, remuneration and terms of appointment of cost auditors of our Company;
- (ii) Approving the cost statements, including other statements to be annexed to the cost audit report under the Companies (Cost Records and Audit) Rules, 2014 and submit the same to the cost auditors for their Report thereon;
- (jj) Examining the signed cost audit report from the cost auditors and to give explanation on reservations or qualifications therein, if any;
- (kk) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on our Company and its shareholders;
- (ll) Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (mm) Undertaking such other functions as may be entrusted to it by the Board or prescribed under applicable statutory/ regulatory requirements from time to time;
- (nn) Taking any other decisions and steps as may be required under Section 177 and other applicable provisions of the Companies Act, 2013 as well as any other applicable legislation that may be in force or modified/ implemented from time to time;
- (oo) Investigating into any matter within the scope of its terms of reference or as may be referred to it by the Board;
- (pp) Exercising any other powers as may be conferred by the Board from time to time

Sustainability and Risk Management Committee

The members of the Sustainability and Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Nandini Ajay Piramal (<i>Chairperson and Executive Director</i>)	Chairman
2.	Jairaj Manohar Purandare (<i>Non-Executive Independent Director</i>)	Member
3.	Neeraj Bharadwaj (<i>Non-Executive Director</i>)	Member
4.	Sridhar Gorthi (<i>Non-Executive Independent Director</i>)	Member
5.	Vibha Paul Rishi (<i>Non-Executive Independent Director</i>)	Member

The Sustainability and Risk Management Committee was last reconstituted pursuant to a resolution passed by our Board on October 14, 2022. The terms of reference of Sustainability and Risk Management Committee are in accordance with SEBI LODR and *inter alia*, include:

- (a) Providing guidance to our Company on ESG vision and strategy including sustainability related matters;
- (b) Overseeing ESG performance of our Company and tracking progress;
- (c) Providing guidance on matters of public responsibility including, community quality assurance and corporate reputation;
- (d) Recommending guidelines on corporate governance and ethics from time to time;
- (e) Reviewing key corporate governance processes not specifically assigned to any other committee of the Board;
- (f) Monitoring and tracking business risks and opportunities arising from ESG aspects;
- (g) Providing guidance to our Company on stakeholder engagement on ESG matters;
- (h) Reviewing our Company's performance on external ESG ratings and indices and guiding our Company in improving such ratings;
- (i) Formulating a detailed risk management policy which shall include:
 - i. a framework for identification of internal and external risks, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk;
 - ii. measures for risk mitigation including systems and processes for internal control of identified risks;
 - iii. business continuity plan;
- (j) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate business related risks;
- (k) Monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (l) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (m) Keeping the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken;
- (n) Reviewing appointment, removal and terms of remuneration of the chief risk officer (if any);
- (o) Evaluating risks related to cyber security and ensuring appropriate procedures to mitigate these risks in a timely manner;
- (p) Coordinating its activities with the audit committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice);
- (q) Underatking such other functions as may be entrusted to it by the Board or prescribed under applicable statutory/ regulatory requirements from time to time

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Ramadorai Subramanian (<i>Non-Executive Independent Director</i>)	Chairman
2.	Jairaj Manohar Purandare (<i>Non-Executive Independent Director</i>)	Member
3.	Nandini Ajay Piramal (<i>Chairperson and Executive Director</i>)	Member
4.	Vibha Paul Rishi (<i>Non-Executive Independent Director</i>)	Member

The Nomination and Remuneration Committee was last reconstituted pursuant to a resolution passed by our Board in its meeting held on August 30, 2022. The scope and functions of the Nomination and Remuneration Committee and its terms of reference are in accordance with Section 178 of the Companies Act, 2013 and the SEBI LODR Regulations and *inter alia*, include:

- (a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- (b) Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, to recommend to the Board their appointment and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (c) Formulating the criteria for evaluation of performance of independent directors and the board of directors;
- (d) Devising a policy on diversity of board of directors;
- (e) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (f) Recommending to the board, all remuneration, in whatever form, payable to senior management;
- (g) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- (h) Any other terms of reference as laid down in Section 178 and other applicable provisions of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as well as any other applicable legislation that may be in force or modified/ implemented from time to time.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Vibha Paul Rishi (<i>Non-Executive Independent Director</i>)	Chairperson
2.	Nandini Ajay Piramal (<i>Chairperson and Executive Director</i>)	Member
3.	Vivek Valsaraj (<i>Executive Director and Chief Financial Officer</i>)	Member

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board in its meeting held on August 30, 2022. The scope and functions of the Stakeholders' Relationship Committee and its terms of reference are in accordance with Section 178 of the Companies Act, 2013 and the SEBI LODR Regulations and *inter alia*, include:

- (a) Looking into the redressal of grievances of debenture holder and other security holders (in addition to shareholders);
- (b) Resolving the grievances of the security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc
- (c) Reviewing measures taken for effective exercise of voting rights by Shareholders;
- (d) Reviewing of adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (e) Reviewing various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by Shareholders of our Company;
- (f) Undertaking or performing such other role as required by law or as may be directed by the Board from time to time.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

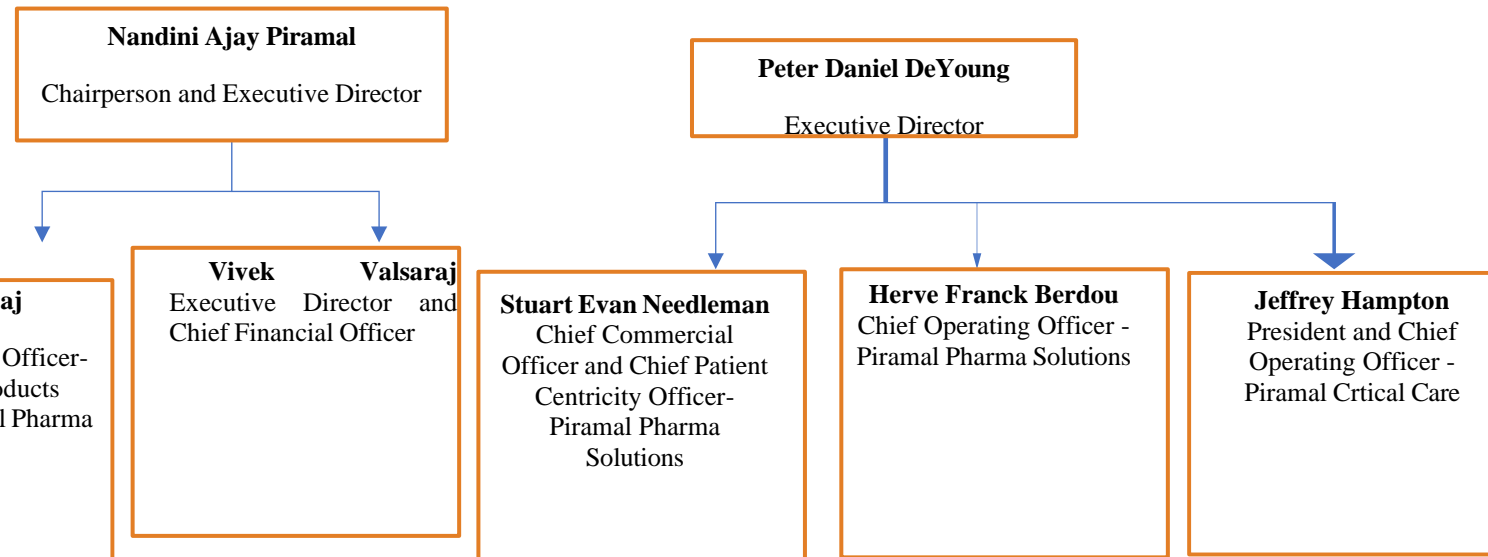
Sr. No.	Name of Director	Committee Designation
1.	Jairaj Manohar Purandare (<i>Non-Executive Independent Director</i>)	Chairman
2.	Nandini Ajay Piramal (<i>Chairperson and Executive Director</i>)	Member
3.	Vivek Valsaraj (<i>Executive Director and Chief Financial Officer</i>)	Member

The Corporate Social Responsibility Committee was last reconstituted pursuant to a resolution passed by our Board in its meeting held on February 08, 2022. The scope and functions of the Corporate Social Responsibility Committee and its terms of reference are in accordance with Section 135 of the Companies Act, 2013 and *inter alia*, include:

- (a) Recommending to the Board a Corporate Social Responsibility (“**CSR**”) Policy which shall provide the approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by our Company as well as formulation of annual action plan(s);
- (b) Formulating and recommending annual action plan(s), and any modifications thereof, to the Board comprising of following information:
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - (ii) the manner of execution of such projects or programmes;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by our Company
- (c) Approving specific projects, either new or ongoing, in pursuance of the areas of interest outlined in the CSR policy, for inclusion in the annual action plan or for contributing to specific funds/ agencies as specified in Schedule VII of the Companies Act;
- (d) Recommending to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts;
- (e) Reviewing the progress of CSR initiatives undertaken by our Company;
- (f) Monitoring the CSR Policy of our Company from time to time and institute a transparent monitoring mechanism for implementation of the projects undertaken;
- (g) Reviewing and recommending to the Board, the annual report on CSR activities to be included in Board’s Report;
- (h) Reviewing and recommending to the Board, the impact assessment report as may be obtained by our Company from time to time;
- (i) Undertaking such other activities and carry out such other functions as may be provided under Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

ORGANISATIONAL STRUCTURE

Directors, Key Managerial Personnel and Senior Management Personnel



Non-Executive Directors

1. **Neeraj Bharadwaj**
Non-Executive Director*
2. **Nathalie Ann Leitch**
Non-Executive Director
3. **Jairaj Manohar Purandare**
Non-Executive Independent Director
4. **Peter Andrew Stevenson**
Non-Executive Independent Director
5. **Ramadorai Subramanian**
Non-Executive Independent Director
6. **Sridhar Gorthi**
Non-Executive Independent Director
7. **Vibha Paul Rishi**
Non-Executive Independent Director

* Nominee of CA Alchemy Investments

Tanya Sanish

Company Secretary and Compliance Officer

Key Managerial Personnel

In addition to our Executive Directors, Nandini Ajay Piramal, Peter Daniel DeYoung, and Vivek Valsaraj (who is also the Chief Financial Officer), whose details are provided in “- *Brief Biographies of Directors*” on page 158, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as at the date of this Letter of Offer, are set out below:

Tanya Sanish is the Company Secretary and Compliance Officer of our Company. She was appointed as the Company Secretary of our Company on September 10, 2020. She holds a bachelor’s degree in arts and bachelor’s degree in law from University of Mumbai, India and is a member of the Institute of Company Secretaries of India. She has 13 years of overall experience and was previously associated with Pidilite Industries Limited. She has been associated with the Piramal group for over 10 years.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Retirement and Termination Benefits

Other than the statutory benefits that the Key Managerial Personnel are entitled to, upon their retirement, the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Relationship among Key Managerial Personnel

None of the Key Managerial Personnel are related to each other except for Nandini Ajay Piramal, who is married to Peter Daniel DeYoung.

Senior Management Personnel

In addition to our Executive Director and Chief Financial Officer, Vivek Valsaraj, and Company Secretary and Compliance Officer, Tanya Sanish, whose details are provided in “- *Key Managerial Personnel*” on page 166, the details of our Senior Management Personnel in terms of the SEBI ICDR Regulations, as at the date of this Letter of Offer, are set out below:

Herve Franck Berdou is the chief operating officer of Piramal Pharma Solutions (a business vertical of our Company) and he joined our subsidiary, Ash Stevens LLC on June 17, 2022. He holds a degree in science (economics) and a diploma in management from Pierre-Mendes France University, France. He leads the Piramal Pharma Solution’s operations across a worldwide network of drug substance and drug product facilities. His responsibilities include global R&D, engineering, EHS, project management, supply chain, IT, corporate projects, and established products with a strong focus on customer and patient centricity, and quality assurance. He has several years of experience and was previously associated with Sandoz, Inc. (a Novartis Company) and AstraZeneca.

Stuart Evan Needleman is the chief commercial officer and chief patient centricity officer of Piramal Pharma Solutions (a business vertical of our Company) and he joined our subsidiary, Ash Stevens LLC on March 17, 2017. He holds a bachelor’s degree in chemical engineering and master’s degree in business administration from Rensselaer Polytechnic Institute. He is responsible for driving all global business development activities for the services business, ranging from discovery services to commercial supply, in both drug substance and drug products. He plays a key role in enabling growth and execution of all offerings of Piramal Pharma Solutions. He has several years of experience and was previously associated with Aptuit, LLC and Laurus Synthesis Inc.

Nitish Bajaj is the chief executive officer of consumer products division of our Company. He is an employee of Piramal group from April 1, 2019 and his employment was transferred from Piramal Enterprises Limited to Piramal Pharma Limited with effect from October 6, 2020. He holds a bachelor’s degree in technology (metallurgical engineering) from Banaras Hindu University, India and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Previously he was associated with Ranbaxy Global Consumer Healthcare (a division of Ranbaxy Laboratories Limited), Steel Authority of India Limited, Heinz India Private Limited, CEAT Limited and Reckitt Benckiser (India) Limited.

Jeffrey Lynn Hampton is the president and chief operating officer of Piramal Critical Care (a business vertical of our Company) and he is an employee of our subsidiary, Piramal Critical Care, Inc. effective from June 5, 2023. He holds a bachelor’s degree in science (business administration) from University of Florida, USA. Previously, he was associated with Accord Healthcare, Inc. and Apotex Inc.

Status of Senior Management Personnel

All our Senior Management Personnel are permanent employees of our Company/ Subsidiaries.

Retirement and Termination Benefits

Other than the statutory benefits that the Senior Management Personnel are entitled to, upon their retirement, the Senior Management Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Relationship among Senior Management Personnel

None of the Senior Management Personnel are related to each other.

OUR PROMOTER

The Promoter of our Company is Ajay G. Piramal.

Ajay G. Piramal is the Chairman of the Piramal group. He holds a bachelor's degree in science (honours) from University of Bombay and a master's degree in management studies from Jammalal Bajaj Institute of Management Studies, University of Bombay. He also holds an honorary doctorate in science (honoris causa) from Indian Institute of Technology, Indore and a doctorate in philosophy (D. Phil) from Amity University, Uttar Pradesh. He has also completed '*The Advanced Management Program*' at Harvard Business School, USA. He is the chairman of PEL, whose pharma business was demerged into our Company pursuant to the order of the National Company Law Tribunal, Mumbai, dated August 12, 2022. For further details, see "*Composite Scheme of Arrangement*" beginning on page 65. He has significant experience in the pharma sector.

He serves on the Harvard Business School's Board of Dean's Advisors and non-executive director of Tata Sons Private Limited. He also serves as President of Anant National University, chairman of the Pratham Education Foundation and serves on the Board of Piramal Foundation. He has been conferred with several national and international recognitions including Honorary Commander of the Order of the British Empire (CBE) in 2022; 'Deal Maker Hall of Fame' at the Mint India Investment Summit (2022); 'Business Leader of the Year' in 2018 by All India Management Association; 'Business Leader of the Year, 2018' by International Advertising Association and 'Asia Business Leader of the Year' in 2017 by CNBC.

Directorship held in other companies

As of date of this Letter of Offer, our Promoter is holding directorship in below mentioned companies:

- a. Allergan India Private Limited;
- b. Kaivalya Education Foundation;
- c. Nutan Nirmata Foundation;
- d. PEL Management Services Private Limited;
- e. Piramal Foundation;
- f. Piramal Fund Management Private Limited;
- g. Piramal Glass Private Limited;
- h. Pratham Education Foundation; and
- i. Tata Sons Private Limited.

Listed entities

- a. Piramal Capital and Housing Finance Limited (*formerly known as Dewan Housing Finance Corporation Limited*); and
- b. Piramal Enterprises Limited.

DIVIDEND POLICY

The dividend distribution policy of our Company was approved and adopted by our Board on October 14, 2022. The declaration of dividend would depend on financial, internal and external factors. Financial factors include, *inter alia*, operating cash flow of our Company, profit earned during the financial year, earnings per share, profit available for distribution, creation of contingency fund, debt obligations of our Company and cost of external financing. Internal factors include *inter alia* working capital requirements, capital expenditure requirement, business expansion and growth, additional investment in subsidiaries and associates of our Company, upgradation of technology and physical infrastructure, acquisition of brands and business and external factors include *inter alia* economic environment, capital markets, global markets, tax implications and business cycles. In addition, other internal and external may be considered by the Board.

The dividend paid on the Equity Shares by our Company are set out in the following table: as at and for the Financial Year ended March 31, 2023 and March 31, 2022, Financial Period ended March 31, 2021, and for the period commencing from April 1, 2023 until the date of this Letter of Offer are given below.

Particulars	From April 1, 2023 to the date of this Letter of Offer	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022	Financial Period ended March 31, 2021
Face value of Equity Shares (in ₹)	10	10	10	10
Dividend amount (in ₹ crore)	-	13.40*	50.00	-
Number of Equity Shares (in crore)	119.33	119.33	118.59	99.46
Total dividend per Equity Share (₹)	-	0.56	0.42	-
Rate of dividend on Equity Share (%)	-	5.65%	4.22%	-
Mode of payment	N.A.	Cash	Cash	N.A.
Tax deducted as source (in ₹ crore)	N.A.	0.67**	4.49***	N.A.

* Our Company had declared and paid dividend of ₹67.00 crores to its shareholders (₹53.60 crores to PEL and ₹13.40 crore to CA Alchemy Investments) during July 2022. Subsequently the dividend paid to PEL was credited to books of the Company pursuant to the Scheme.

** Tax @ 5% p.a. was deducted at source on payment of dividend to CA Alchemy Investments.

*** 10% (₹3.99 crore) in case of PEL and 5% (₹0.50 crore) in case of CA Alchemy Investments.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “Risk Factor – 77. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements” on page 51.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page no.
1.	Restated Consolidated Financial Information	171

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Deloitte
Haskins & Sells LLP

Chartered Accountants
One International Center Tower 3,
27th-32nd Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013, Maharashtra, India
Tele: + 91 22 6185 4000

Independent Auditor's Examination Report on Restated Consolidated Financial Information

The Board of Directors of
Piramal Pharma Limited

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 6 below), the attached Restated Consolidated Financial Information of Piramal Pharma Limited (the "Company"), and its subsidiaries (collectively, the "Group") which includes Group's share of restated profit in its associates and joint venture, which comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, 2022 and 2021 the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of changes in equity and the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2023 and 2022 and for the period from March 04, 2020 to March 31, 2021, and the Summary of Significant Accounting Policies and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company ("the Board") at their meeting held on July 27, 2023 for the purpose of inclusion in the Letter of Offer (the "LOF") prepared by the Company in connection with its proposed Rights Issue of equity shares of the Company (the "Issue") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
 - c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").
2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the LOF to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed Issue. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2a (i) to the Restated Consolidated Financial Information. The responsibility of the respective board of directors of the companies included in the Group and of its associates and joint venture includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group and its associates and joint venture complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined these Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 10, 2023 and addendum to engagement letter dated July 24, 2023 in connection with the proposed Issue of the Company;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

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- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Issue.
4. These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2023 and 2022 and as at and for the period from March 04, 2020 to March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and other accounting principles generally accepted in India which have been approved by the Board at their meetings held on May 24, 2023, May 24, 2022 and June 01, 2021 respectively.
 5. For the purpose of our examination, we have relied on reports issued by us dated May 24, 2023, May 24, 2022 and June 01, 2021 on the consolidated financial statements of the Group as at and for the years ended March 31, 2023 and 2022 and as at and for the period from March 04, 2020 to March 31, 2021 respectively, as referred in Paragraph 4 above which includes the following emphasis of matter paragraph (also refer Note 2b (i) of the Restated Consolidated Financial Information):

As at and for the period from March 04, 2020 to March 31, 2021:

- i. As more fully described in Note 2(b)(i) to the consolidated financial statements, to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian economics indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our opinion is not modified in respect of this matter.

6. As indicated in our audit reports referred above,
 - a) We did not audit the financial statements of certain subsidiaries as at and for the years ended March 31, 2023 and 2022 and as at and for the period from March 04, 2020 to March 31, 2021 whose share of total assets, total revenues and net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant years/period is tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(₹ in crores)			
Particulars	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022	As at/ for the period from March 04, 2020 to March 31, 2021
Number of subsidiaries	Thirteen	Eight	Eight
Total assets	10,553.92	8,370.14	7,743.94
Total revenue	4,183.03	3,195.46	3,024.33
Net cash inflows/ (outflows)	30.42	(157.46)	(34.99)

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These other auditors of certain subsidiaries, as mentioned above, have examined the restated financial information and have confirmed that the restated financial information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2022 and financial period from March 04, 2020 to March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- b) We also did not audit the financial statements of certain subsidiaries and associates for the years ended March 31, 2023 and 2022 and for the period from March 04, 2020 to March 31, 2021 whose share of total assets, total revenues, net cash inflows / (outflows) and Group's share of net profit included in the Restated Consolidated Financial Information for the relevant years/period is tabulated below, the financial statements of these subsidiaries/ associates are unaudited and are included in these Restated Consolidated Financial Information, is based on such unaudited financial statements furnished to us by the management of the Company. Our opinion on the consolidated financial statements and the Restated Consolidated Financial Information, in so far relates as it relates to the amounts and disclosures included in respect of these subsidiaries and associates are based solely on such unaudited financial statements.

(₹ in Crores)

Particulars	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022	As at/ for the period from March 04, 2020 to March 31, 2021
Number of subsidiaries	Five	Eleven	Ten
Number of associates	Two	Two	One
Total assets	292.13	4,669.24	4,171.21
Total revenue	197.22	604.98	404.65
Net cash inflows/ (outflows)	(2.83)	38.11	9.01
Group's share of net profit in its associates	54.33	59.03	42.54

7. Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by other auditors on their audit/examination of financial statements/restated financial information of certain subsidiaries mentioned in paragraph 6 above, we report that the Restated Consolidated Financial Information:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2022 and financial period from March 04, 2020 to March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports. There is an item relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information and;
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

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8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated Ind AS financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the LOF to be filed with Securities and Exchange Board of India, BSE Limited, and National Stock Exchange of India Limited in connection with the proposed Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai
Date: July 27, 2023

Rupen K. Bhatt
(Membership No. 046930)
(UDIN: 23046930BGXRLM4110)

Restated Consolidated Statement of Assets and Liabilities

as at March 31, 2023

₹ in Crores

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Assets				
	Non-Current Assets				
(a)	Property, Plant & Equipment	3	3,363.04	2,864.07	2,636.56
(b)	Capital Work in Progress	55	852.93	673.15	399.53
(c)	Goodwill	38	1,107.51	1,030.50	856.47
(d)	Other Intangible Assets	3	2,772.57	2,806.09	2,482.28
(e)	Intangible Assets under development	56	565.65	499.19	227.12
(f)	Right Of Use Assets	52	225.48	178.52	130.18
(g)	Financial Assets:				
	(i) Investments				
	- Investments accounted for using the equity method	4(a)	170.11	179.82	109.67
	- Other Investments	4(b)	41.76	36.95	13.00
	(ii) Other Financial Assets	5	21.55	95.57	70.93
(h)	Deferred tax assets (Net)	6	349.30	297.27	244.12
(i)	Other non-current assets	7	217.18	68.69	81.22
	Total Non-Current Assets		9,687.08	8,729.82	7,251.08
	Current Assets				
(a)	Inventories	8	1,681.37	1,388.80	1,232.00
(b)	Financial Assets:				
	(i) Investments	4(b)	427.11	50.40	-
	(ii) Trade receivables	9 & 53	1,799.34	1,785.28	1,574.94
	(iii) Cash & Cash equivalents	10	195.59	228.10	384.65
	(iv) Bank balances other than (iii) above	11	111.97	100.89	20.97
	(v) Other Financial Assets	12	92.42	50.85	112.06
(c)	Other Current Assets	13	527.68	462.90	324.08
	Total Current Assets		4,835.48	4,067.22	3,648.70
	Total Assets		14,522.56	12,797.04	10,899.78
	Equity and liabilities				
	Equity				
(a)	Equity Share capital	14	1,193.32	1,185.91	994.60
(b)	Share warrants	14	-	-	0.10
(c)	Other equity	15	5,580.18	5,510.69	4,610.30
	Total equity		6,773.50	6,696.60	5,605.00
	Liabilities				
	Non-current liabilities				
(a)	Financial Liabilities:				
	(i) Borrowings	16	3,383.54	2,622.14	2,339.16
	(ii) Lease liability	52	101.92	86.20	93.41
	(iii) Other Financial Liabilities	17	4.98	0.40	-

Restated Consolidated Statement of Assets and Liabilities

as at March 31, 2023

₹ in Crores

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(b)	Provisions	18	20.68	12.59	6.78
(c)	Deferred tax liabilities (Net)	19	219.31	192.01	222.49
(d)	Other Non-Current Liabilities	20	175.58	153.76	142.66
	Total Non-Current Liabilities		3,906.01	3,067.10	2,804.50
	Current liabilities				
(a)	Financial Liabilities:				
	(i) Borrowings	21	2,121.23	1,401.14	571.03
	(ii) Lease liability	52	30.39	18.44	21.49
	(iii) Trade payables				
	Total outstanding dues of Micro enterprises and small enterprises	54	32.52	49.45	28.24
	Total outstanding dues of creditors other than Micro enterprises and small enterprises		1,160.19	976.90	889.70
	(iv) Other Financial Liabilities	22	227.05	259.03	722.87
(b)	Other Current Liabilities	23	228.92	222.91	185.75
(c)	Provisions	24	39.21	33.81	31.78
(d)	Current Tax Liabilities (Net)	25	3.54	71.66	39.42
	Total Current Liabilities		3,843.05	3,033.34	2,490.28
	Total Liabilities		7,749.06	6,100.44	5,294.78
	Total Equity & Liabilities		14,522.56	12,797.04	10,899.78

The above Restated Consolidated Statement of Assets and Liabilities should be read in conjunction with the accompanying notes 1 - 74

Summary of significant accounting policies

2a

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rupen K. Bhatt

Partner

Membership Number: 046930

Place - Mumbai

Date - July 27, 2023

Nandini Piramal

Chairperson

DIN: 00286092

Place - Mumbai

Date - July 27, 2023

Vivek Valsaraj

Chief Financial Officer

Place - Mumbai

Date - July 27, 2023

Tanya Sanish

Company Secretary

Place - Mumbai

Date - July 27, 2023

Restated Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crores

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 4, 2020 to March 31, 2021
Revenue from operations	27	7,081.55	6,559.10	6,314.90
Other Income (Net)	28	225.11	275.80	164.11
Total Income		7,306.66	6,834.90	6,479.01
Expenses				
Cost of materials consumed	29	1,682.46	1,566.96	1,518.08
Purchases of Stock-in-Trade	30	952.20	829.07	593.77
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	68.64	55.21	(52.74)
Employee benefits expense	32	1,896.35	1,588.83	1,467.74
Finance costs	33	344.18	198.25	163.45
Depreciation and amortization expense	3 & 52	676.69	586.18	545.04
Other expenses (Net)	34	1,853.66	1,569.37	1,360.09
Total Expenses		7,474.18	6,393.87	5,595.43
Restated Profit/(Loss) before share of net profit of associates, exceptional items and tax		(167.52)	441.03	883.58
Share of restated net profit of associates and Joint ventures	4 (a)	54.33	59.03	47.24
Restated Profit/(Loss) after share of net profit of associates before exceptional items and tax		(113.19)	500.06	930.82
Exceptional Items	35	(6.96)	(15.08)	18.23
Restated Profit/(Loss) after share of net profit of associates and before tax		(120.15)	484.98	949.05
Less: Income Tax Expense				
Current Tax (including prior year/ period taxes)	49	110.40	191.13	116.34
Deferred Tax Credit	49	(44.09)	(82.11)	(2.32)
Restated Profit/(Loss) after tax for the year/period		(186.46)	375.96	835.03
Other Comprehensive Income/(Loss) (OCI), net of tax expense:	36			
A. Items that will not be reclassified to profit or loss				
Remeasurement of Post Employment Benefit Obligations		(3.44)	0.40	(3.29)
Income Tax Impact on above		0.87	(0.07)	0.82
		(2.57)	0.33	(2.47)

Restated Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crores

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 4, 2020 to March 31, 2021
B. Items that will be reclassified to profit or loss				
(a) Deferred gains / (losses) on cash flow hedge		(20.75)	8.39	7.81
(b) Exchange differences on translation of financial statements of foreign operations		210.10	97.58	114.11
(c) Gain on bargain purchase		-	-	7.43
Income Tax Impact on above		(10.98)	(7.56)	(0.33)
		178.37	98.41	129.02
Other Comprehensive Income/(loss) (OCI) for the year/ period, net of tax expense		175.80	98.74	126.55
Restated Total Comprehensive Income/(loss) for the year/ period, net of tax expense		(10.66)	474.70	961.58
Restated Earnings per equity share (Basic) (₹) (Face value of ₹ 10/- each)	42	(1.57)	3.19	13.30
Restated Earnings per equity share (Diluted) (₹) (Face value of ₹ 10/- each)	42	(1.57)	3.19	13.30

The above Restated Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes 1-74

Summary of significant accounting policies

2a

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

For and on behalf of the Board of Directors

Rupen K. Bhatt

Partner

Membership Number: 046930

Place - Mumbai

Date - July 27, 2023

Nandini Piramal

Chairperson

DIN: 00286092

Place - Mumbai

Date - July 27, 2023

Vivek Valsaraj

Chief Financial Officer

Place - Mumbai

Date - July 27, 2023

Tanya Sanish

Company Secretary

Place - Mumbai

Date - July 27, 2023

Restated Consolidated Statement of Cash flows

for the year ended March 31, 2023

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 4, 2020 to March 31, 2021
A. Cash Flow from Operating Activities			
Profit / (Loss) before share of net profit of associates, exceptional items and tax	(167.52)	441.03	883.58
Less : Profit for the period March 4, 2020 to October 05, 2020, net off dividend from associates	-	-	(243.90)
	(167.52)	441.03	639.68
Adjustments for :			
Depreciation and amortisation expense	640.96	559.71	462.36
Amortisation of Right-of-use assets	35.73	26.47	-
Provision written back	(49.00)	(60.13)	(1.72)
Finance Costs considered separately	344.18	198.25	163.45
(Gain)/Loss on measurement of financial assets at FVTPL	(0.98)	(21.18)	0.86
Amortisation of grants & Other deferred income	(39.20)	(39.53)	(28.75)
Gain on additional stake in Convergence	-	-	(26.31)
Interest Income on Financial assets	(1.64)	(0.68)	(4.02)
(Gain)/Loss on Sale of Property Plant and Equipment	0.48	0.54	(21.08)
Profit on Sale on Current Investment (Net)	(1.58)	(1.95)	-
Write-down of Inventories	92.97	45.18	36.11
Expected Credit Loss on Trade Receivables	42.05	7.44	2.75
Unrealised foreign exchange loss	71.56	72.98	138.34
Operating Cash Flow Before Working Capital Changes	968.01	1,228.13	1,361.67
Adjustments For Changes In Working Capital :			
Adjustments for (increase) / decrease in operating assets			
- Trade receivables	89.26	(185.17)	(515.45)
- Other Current Assets	13.90	(118.14)	(4.38)
- Other Non Current Assets	(136.76)	8.93	(29.80)
- Other Financial Assets - Non Current	76.68	(24.20)	(45.65)
- Inventories	(172.64)	(175.64)	(89.26)
- Other Financial Assets - Current	76.32	52.02	(85.27)
Adjustments for increase / (decrease) in operating liabilities			
- Trade Payables	(264.69)	79.12	145.54
- Non - Current provisions	2.48	4.87	(30.23)
- Other Current Financial Liabilities	43.39	37.90	(31.39)
- Other Current Liabilities	0.70	17.39	72.84
- Current provisions	0.36	1.60	17.93
- Other Non-current Financial Liabilities	(2.36)	(6.28)	4.31
- Other Non-current Liabilities	(21.76)	15.31	(28.77)
Cash Generated from Operations	672.89	935.84	742.09
- Taxes Paid (Net of Refunds)	(189.00)	(169.42)	(144.51)
Net Cash Generated from Operating Activities	483.89	766.42	597.58

Restated Consolidated Statement of Cash flows

for the year ended March 31, 2023

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 4, 2020 to March 31, 2021
B. Cash Flow from Investing Activities			
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(964.75)	(889.51)	(602.19)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	19.69	32.42	-
Purchase of Current Investments			
- in Mutual Funds	(1,209.13)	(1,451.52)	-
Proceeds from Sale of Current Investments:			
- in Mutual Funds	834.00	1,403.07	-
Purchase of Non Current Investments	-	(2.74)	(5.57)
Interest Received	-	0.68	4.02
Payment for purchase of pharma business	-	-	(3,710.00)
Fixed deposits placed	(14.25)	(79.64)	-
Maturity of deposit	13.91	-	(17.78)
Dividend received (Net of TDS of ₹ 8.38 crores {March 2022- ₹ 9.07 crores})	75.41	81.59	49.00
Investment in Associate	(20.35)	(101.77)	-
Contingent Consideration paid	(73.31)	-	-
Amount paid on acquisition of subsidiary	-	(790.74)	(197.40)
Transaction cost paid for acquisition of subsidiary	-	(13.94)	-
Net Cash Used in Investing Activities	(1,338.78)	(1,812.10)	(4,479.93)
C. Cash Flow from Financing Activities			
Proceeds from Non - Current Borrowings			
- Receipts	2,562.81	903.83	1,677.68
- Payments	(1,721.53)	(237.95)	(1,666.00)
Proceeds from Current Borrowings			
- Receipts	1,821.86	1,349.72	869.08
- Payments	(1,464.72)	(996.47)	(1,145.96)
Lease payments			
- Principal	(35.51)	(30.43)	(3.79)
- Interest	(7.08)	(5.73)	(4.44)
Rights issue proceeds	-	-	785.00
Receipt from issue of equity shares	-	-	3,448.41
Finance Costs Paid	(271.04)	(138.78)	(159.00)
Dividend Paid	(67.00)	(50.00)	-
Proceeds from Compulsorily Convertible Preference share Issue	-	-	75.00
Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	-	-	100.85
Net Cash Generated from Financing Activities	817.79	794.19	3,976.83

Restated Consolidated Statement of Cash flows

for the year ended March 31, 2023

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 4, 2020 to March 31, 2021
Net Increase/ (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	(37.10)	(251.49)	94.48
Cash and Cash equivalent as at opening	85.18	261.97	151.95
Add: Effect of exchange fluctuation on cash and cash equivalents	5.15	(2.04)	4.22
Add: Cash balance acquired	-	76.74	11.32
Cash and Cash Equivalents as at March 31, 2023, March 31, 2022 And March 31, 2021 respectively	53.23	85.18	261.97
Cash and Cash Equivalents Comprise of :			
Cash on Hand	2.21	0.09	0.13
Bank Overdraft	(142.36)	(142.92)	(122.67)
Balance with Scheduled Banks in Current Accounts	193.38	205.60	384.51
Cheques in hand	-	22.41	-
	53.23	85.18	261.97

Note

- During the year, the Company has issued 95,46,54,800 (nos.) fully paid equity shares with face value of ₹ 10 each and security premium of ₹ 126.31 per share, aggregating to ₹ 13,012.90 crores in exchange of net assets of Demerged Undertaking pursuant to the Scheme.
- During the previous year ended March 31, 2022, the Company had allotted 9,657,423 equity shares of face value ₹ 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited amounting to ₹ 592 crores.
- During the previous year ended March 31, 2022, the Company had allotted 3,988,262 equity shares of face value ₹ 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 ₹ 75 crores.
- During the previous year ended March 31, 2022, the Company had issued 177,665,757 equity shares as bonus shares to the existing shareholders in the ratio 5.674:1
- During the previous period ended March 31, 2021, the Company had issued 1,06,71,651 fully paid equity shares with face value of ₹ 10 each and carrying security premium of ₹ 163.36 per share, aggregating to ₹ 185 crores in exchange for 1,00,000 fully paid equity share of ₹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 Enterprises Limited (Refer note 63(B)(iii)).

The above Restated Consolidated Statement of Cash flow should be read in conjunction with the accompanying notes 1-74

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rupen K. Bhatt
Partner
Membership Number: 046930
Place - Mumbai
Date - July 27, 2023

Nandini Piramal
Chairperson
DIN: 00286092
Place - Mumbai
Date - July 27, 2023

Vivek Valsaraj
Chief Financial Officer
Place - Mumbai
Date - July 27, 2023

Tanya Sanish
Company Secretary
Place - Mumbai
Date - July 27, 2023

Restated Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital: (Refer note 14)

₹ in Crores

Particulars	
As at the incorporation of the Company	0.01
Issued during the period (Refer note 63(B)(iii))	994.59
Balance as at March 31, 2021	994.60
Issued during the year	191.31
Balance as at March 31, 2022	1,185.91
Issued during the year	7.41
Balance as at March 31, 2023	1,193.32

B. Share warrants:

₹ in Crores

Particulars	
Balance as at March 04, 2020	-
Issued during the period	0.10
Balance as at March 31, 2021	0.10
Lapsed during the year	(0.10)
Balance as at March 31, 2022	-
Lapsed during the year	-
Balance as at March 31, 2023	-

C. Other Equity:

₹ in Crores

Particulars	Attributable to the owners of the Piramal Pharma Limited						
	Reserves & Surplus				Other Items in OCI		Other equity
	Note	Securities Premium	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedging Reserve	
Balance as at March 04, 2020		-	-	-	-	-	-
On account of Business Combination (Refer note 63(B)(iii))		-	399.23	-	-	-	399.23
Adjusted balance as at March 04, 2020		-	399.23	-	-	-	399.23
Profit after tax for the period		-	-	835.03	-	-	835.03
Other Comprehensive Income/(Loss), net of tax expense for the period	15	-	-	(2.47)	115.71	5.88	119.12
Issue of Equity Shares during the period (Refer note 63(B)(iii))		3,249.49	-	-	-	-	3,249.49
Gain on bargain purchase (Refer note 63(B)(i))		-	7.43	-	-	-	7.43
Balance as at March 31, 2021		3,249.49	406.66	832.56	115.71	5.88	4,610.30

Restated Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

₹ in Crores

Particulars	Attributable to the owners of the Piramal Pharma Limited						
	Reserves & Surplus				Other Items in OCI		Other equity
	Note	Securities Premium	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedging Reserve	
Balance as at April 1, 2021	15	3,249.49	406.66	832.56	115.71	5.88	4,610.30
Profit after tax for the year		-	-	375.96	-	-	375.96
Other Comprehensive Income, net of tax expense for the year		-	-	0.33	92.20	6.21	98.74
Issue of Equity Shares		475.69	-	-	-	-	475.69
Dividend paid during the year		-	-	(50.00)	-	-	(50.00)
Balance as at March 31, 2022		3,725.18	406.66	1,158.85	207.91	12.09	5,510.69

₹ in Crores

Particulars	Attributable to the owners of the Piramal Pharma Limited						
	Reserves & Surplus				Other Items in OCI		Other equity
	Note	Securities Premium	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedging Reserve	
Balance as at April 1, 2022	15	3,725.18	406.66	1,158.85	207.91	12.09	5,510.69
(Loss) after tax for the year		-	-	(186.46)	-	-	(186.46)
Other Comprehensive Income/(Loss), net of tax expense for the year		-	-	(2.57)	193.82	(15.45)	175.80
Issue of Equity Shares		93.53	-	-	-	-	93.53
Dividend paid during the year *		-	-	(13.40)	-	-	(13.40)
Balance as at March 31, 2023		3,818.71	406.66	956.42	401.73	(3.36)	5,580.18

* During the year, the Company paid a dividend aggregating to ₹ 67 Crores to its shareholders (shareholding determined as of the record date). Pursuant to the Scheme referred to in note 14, PEL transferred its shareholding in the Company amongst other assets w.e.f. April 1, 2022. Accordingly, to the extent of such shares transferred to the Company, dividend amounting ₹ 53.60 Crores has been netted off from the gross dividend paid. The table above reflects such net amount.

The above Restated Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes 1-74

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Rupen K. Bhatt
Partner
Membership Number: 046930
Place - Mumbai
Date - July 27, 2023

Nandini Piramal
Chairperson
DIN: 00286092
Place - Mumbai
Date - July 27, 2023

Vivek Valsaraj
Chief Financial Officer
Place - Mumbai
Date - July 27, 2023

Tanya Sanish
Company Secretary
Place - Mumbai
Date - July 27, 2023

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

1. General Information

Piramal Pharma Limited ("PPL", "Company", "Parent") (including all its subsidiaries) (the parent and its subsidiaries together referred to as "Group") is one of the India's largest Pharmaceutical Company.

PPL is a leading pharmaceutical company with global operations, providing end-to-end pharma services to customers and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals - Piramal Pharma Solutions, an integrated contract development and manufacturing organization ("CDMO") having a product suite in niche areas such as highly potent Active pharmaceutical ingredients ("APIs"), Finished dosage forms ("FDFs"), antibody drug conjugates, potent sterile injectable, hormonal oral solid dosage forms, biologics and vaccines; Piramal Critical Care, a complex hospital generics ("CHG") business in the areas of inhalation anaesthesia, injectable anaesthesia and pain management, intrathecal therapy and other injectable; and India consumer healthcare ("ICH") business, selling well-known OTC brands.

PPL is listed on stock exchange during the year and domiciled in India and has its registered office at Mumbai, India.

2a. Significant Accounting Policies

i) Basis of preparation of Restated Financial Information

The Restated Consolidated Financial Information of Piramal Pharma Limited (the "Company"), and its subsidiaries (collectively, the "Group") which includes Group's share of profit in its associates and joint venture, comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, 2022 and 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of changes in equity and the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2023, 2022 and for the period from March 04, 2020 to March 31, 2021, and the Summary of Significant Accounting Policies and other explanatory information (collectively, the "Restated Consolidated Financial Information"), is prepared by the management of the Company for the purpose of inclusion in the Letter of Offer (the "Document") to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with its proposed Rights Issue of equity shares of the Company (the "Issue") prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
- b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
- c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

The Restated Consolidated Financial Information comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2023 and 2022 and as at and for the period from March 04, 2020 to March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended, from time to time and other accounting principles generally accepted in India which have been approved by the Board at their meetings held on May 24, 2023, May 24, 2022 and June 01, 2021 respectively.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited financial statements.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

The Restated Consolidated Financial Information:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period from March 04, 2020 to March 31, 2021 and for the year ended March 31, 2022 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the year ended March 31, 2023.
- (b) do not require any adjustment for modification as there is no modification in the underlying audit reports. There are following item relating to emphasis of matter (refer paragraph [2(b)(xii)] of Restated Consolidated Financial Information), which do not require any adjustment to the Restated Consolidated Financial Information:

As at and for the period from March 04, 2020 to March 31, 2021:

- i. As more fully described in Note 2(b)(xii) to the consolidated financial statements, to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian economics indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

The Company was incorporated on March 04, 2020 and accordingly, the Company prepared its first set of financial information for the period starting from March 04, 2020 to March 31, 2021 ("the period"). Consequently, the financial information for the year ended March 31, 2022 is not comparable with the aforesaid period. The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

Historical Cost convention

The Restated Consolidated financial information have been prepared on the historical cost basis except for the following:

- a) certain financial instruments and contingent consideration - measured at fair value
- b) assets classified as held for sale - measured at fair value less cost to sell
- c) cash settled stock appreciation rights - measured at fair value
- d) plan assets of defined benefit plans, which are measured at fair value"

ii) Principles of consolidation and equity accounting

a) Subsidiaries:

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

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

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

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

b) Associates:

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

c) Joint Venture:

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

d) Equity method:

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

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

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a (vi) below.

e) Changes in ownership interests

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

iii) Business Combinations

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

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

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

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

Common control transactions

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

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts. The Group 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 balance of the retained earnings appearing in the Restated Consolidated financial information of the transferor is aggregated with the corresponding balance appearing in the Restated Consolidated financial information of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

iv) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Group & 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 Restated Consolidated 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 / estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Asset Class	Useful life
Buildings*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 years - 25 years
Continuous Process Plant	25 years
Office Equipment	1 year - 15 years
Motor Vehicles	4 years - 12 years
Furniture & fixtures	2 years - 28 years

**Useful life of leasehold improvements is as per lease period*

(v) (a) 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 Restated Consolidated 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/period.

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Development

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

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

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

Asset Class	Useful life
Brands and Trademarks	5 years - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 years - 30 years
Computer Software	2 years - 9 years
Customer relationships	8 years - 14 years

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

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

(b) Goodwill

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Goodwill is carried at cost less accumulated impairment losses.

vi) Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group 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 Restated Consolidated Statement of Profit and Loss. If at the Restated Consolidated Statement of Assets and Liabilities date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vii) Financial instruments

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

Financial assets (other than trade receivable) 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

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

Investments and Other Financial assets

Classification:

The Group classifies its financial assets in the following measurement categories:

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

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

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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 profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

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

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

Impairment of financial assets

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

A financial asset is derecognised only when:

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

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instrument

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

Compulsorily Convertible 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 Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

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

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.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Borrowings are classified as current liabilities unless the Group 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 Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial information 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

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

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

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

Derecognition of financial liabilities

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

Derivatives and hedging activities

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

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

Embedded derivatives

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

Notes to the Restated Consolidated financial information

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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 Restated Consolidated Statement of Assets and Liabilities 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 Group or counterparty.

viii) Trade Receivables

Trade receivables that do not contain a significant financing component are measured at transaction price of good sold or services rendered as defined in Ind AS 115, Revenue from Contract with Customers.

ix) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Stores and Spares. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads 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 Restated Consolidated Statement of assets and liabilities.

(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 Restated Consolidated Statement of assets and liabilities 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 Restated Consolidated Statement of assets and liabilities date.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

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

Notes to the Restated Consolidated financial information

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- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

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

Defined Benefit Plan

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

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Restated Consolidated Statement of profit and loss.

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the Restated Consolidated Financial Information.

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

xi) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within

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the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

xii) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

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

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

Distribution Fees: Distribution fees are recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement provided that it is probable that the economic benefits shall flow to the Group and the amount can be measured reliably.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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 Group and the amount of income can be measured reliably).

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.

xiii) Foreign Currency Transactions

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

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

For the purpose of presenting Restated consolidated financial information, the assets and liabilities of the Group foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated

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using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

xiv) Exceptional Items

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

xv) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

xvi) Leases

The Group's lease asset classes primarily consist of leases for land, buildings and IT assets. At the date of commencement of the lease, the Group 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 Group 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 group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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xvii) Taxes on Income

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

xviii) 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 Restated Consolidated Statement of assets and liabilities.

xix) Borrowing Costs

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

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xx) Deferred Revenue and Unbilled Revenue

Amounts received from customers or billed to customers, in advance of services performed are recorded as deferred revenue under Other Current Liabilities. Unbilled revenue included in Other Financial Assets, represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

xxi) Segment Reporting

The Group is operating in single reportable segment of 'Pharma' in terms of Ind AS 108.

xxii) Standards issued but not yet effective

Recent pronouncements 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. The Group has evaluated the amendment and the impact of the amendment is insignificant in Group's restated consolidated financial information.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to IndAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Group has evaluated the amendment and there is no impact on its restated consolidated financial information.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Group has evaluated the amendment and there is no impact on its restated consolidated financial information.

xxiii) 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.

xxiv) Share appreciation rights

Liabilities for the group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the Consolidated Statement of assets and liabilities..

xxv) Rounding of amounts

All amounts disclosed in the Restated Consolidated Financial Information and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

xxvi) Going Concern

When preparing restated consolidated financial information, management makes an assessment of the Group's ability to continue as going concern. Restated consolidated financial information is prepared on going concern basis unless management either intends to liquidate the Group or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as going concern, those uncertainties are disclosed. When the restated consolidated financial information is not prepared on a going concern basis, that fact is disclosed, together with the basis on which the restated consolidated financial information is prepared and the reason why the Group is not regarded as going concern.

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for the year ended March 31, 2023

xxvii) Subsequent Event

Restated consolidated financial information are approved after considering 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the Restated Consolidated Statement of Assets and Liabilities date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the Restated Consolidated Statement of Assets and Liabilities date or because of statutory requirements or because of their special nature. For non-adjusting events, the Group may provide a disclosure in the restated consolidated financial information considering the nature of the transaction.

2b. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial information 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/ period. The Management believes that the estimates used in preparation of the Restated Consolidated financial information 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) Fair Valuation:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 51.

ii) Impairment of Goodwill (Refer Note 38)

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount is higher of the Value-in-Use and Fair Value Less Cost To Sell (FVLCTS). The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

iii) Income Taxes

Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

iv) Functional Currency (Refer Note 46(c))

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per Ind AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

v) Assessment of Significant influence (Refer Note 37 (c))

Irrespective of the voting rights in an entity, if the Company has a right to appoint Directors or participates in all significant financial and operating decisions of an investee, there is an existence of significant influence and the investment is considered as an Associate.

vi) Business combinations:

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

vii) Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

viii) Provisions and Contingencies:

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

ix) Useful lives and residual values of property, plant and equipment:

Property, plant and equipment represent a material portion of the Group's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

x) Impairment loss in Investments carried at cost:

The Group conducts impairment reviews of investments in 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 Group to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.

xi) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the trade receivables having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the outstanding on designated dates.

xii) Estimation of uncertainty relating to COVID-19 global health pandemic:

With respect to period ended March 31, 2021 and year ended March 31, 2022, in assessing the recoverability of receivables, intangible assets and deferred tax assets, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these Consolidated financial statements. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. 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 Group will continue to monitor any changes to the future economic conditions.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

3. Property Plant & Equipment and Intangible assets

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	Opening as at April 01, 2022	Acquisition under Business Combination (Refer note 63)	Additions	Deductions/ Adjustments	Exchange Difference	As at March 31, 2023 (A)	Opening as at April 01, 2022	For the year #	Deductions/ Adjustments	Exchange Difference	As at March 31, 2023 (B)	As at March 31, 2022 (A)-(B)
Property, Plant & Equipment												
Land Freehold	130.04	-	0.05	-	3.85	133.94	1.60	0.45	-	-	2.05	131.89
Building	1,199.59	39.38	261.78	(0.13)	25.35	1,525.97	155.14	58.93	-	4.30	218.37	1,307.60
Roads	3.71	0.62	0.47	-	-	4.80	2.21	0.36	(0.17)	-	2.40	2.40
Plant & Equipment	2,965.59	30.64	468.32	(51.86)	119.49	3,532.18	1,317.80	299.03	(32.73)	68.21	1,652.31	1,879.87
Furniture & fixtures	66.57	2.00	4.90	(0.65)	2.04	74.86	36.57	9.01	(0.63)	1.26	46.21	28.65
Office Equipment	32.74	0.57	5.25	(0.14)	0.17	38.59	21.33	5.41	(0.15)	0.02	26.61	11.98
Motor Vehicles	1.27	0.13	0.59	(0.36)	-	1.63	0.79	0.41	(0.18)	(0.04)	0.98	0.65
Total (I)	4,399.51	73.34	741.36	(53.14)	150.90	5,311.97	1,535.44	373.60	(33.86)	73.75	1,948.93	3,363.04
Intangible Assets												
Customer relations*	130.69	-	-	-	9.36	140.05	57.91	13.86	-	3.46	75.23	64.82
" Product related Intangibles - Brands and Trademarks* "+	2,757.31	-	7.68	(2.56)	186.51	2,948.94	798.57	153.52	-	43.97	996.06	1,952.88
" Product related Intangibles - Copyrights, Knowhow and Intellectual property rights* "	322.56	-	-	-	25.41	347.97	133.93	44.40	-	9.61	187.94	160.03
Computer Software	104.12	-	53.84	(2.77)	4.48	159.67	60.30	19.90	(1.89)	1.83	80.14	79.53
Product Know-how	587.28	-	6.39	-	6.86	600.53	45.16	35.68	-	4.38	85.22	515.31
Total (II)	3,901.96	-	67.91	(5.33)	232.62	4,197.16	1,095.87	267.36	(1.89)	63.25	1,424.59	2,772.57
Grand Total (I + II)	8,301.47	73.34	809.27	(58.47)	383.52	9,509.13	2,631.31	640.96	(35.75)	137.00	3,373.52	6,135.61

*Material Intangible Assets as on March 31, 2023 and March 31, 2022

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Asset Class	Asset Description	(₹ in Crores)		
		Carrying Value as at March 31, 2023	Carrying Value as at March 31, 2022	Remaining useful life as on March 31, 2023
Product-related Intangibles - Brands and Trademarks	Brands and trademarks	237.78	269.94	1 year to 14 years
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,756.40	1,718.19	15-20 years
Customer Relations	Purchased Brands	34.60	41.29	5 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	527.44	556.96	5 to 29 years

Depreciation for the year ended March 31, 2023 includes depreciation amounting to ₹ 8.02 Crores (Previous Year ₹ 7.88 Crores) on assets used for Research and Development locations at Ennore, Thane and Mumbai.

+ Certain Brands are in the process of being registered in the name of the Group, for which the necessary application has been made with trade mark registry.

Refer note 26B (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, 2023

Refer note 55 and 56 for ageing of Capital Work in Progress and Intangible Assets under development

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

3. Property Plant & Equipment and Intangible assets

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	Opening as at April 01, 2021	Acquisition under business combination refer note 63	Additions	Deductions/ Adjustments	Exchange Difference	As at March 31, 2022 (A)	Opening as at April 01, 2021	For the year #	Deductions/ Adjustments	Exchange Difference	As at March 31, 2022 (B)	As at March 31, 2022 (A)-(B)	As at March 31, 2021
Property, Plant & Equipment													
Land Freehold	128.36	-	1.34	-	0.34	130.04	1.18	0.38	-	0.04	1.60	128.44	127.18
Building	1,020.83	7.44	161.28	-	10.04	1,199.59	115.70	38.27	-	1.17	155.14	1,044.45	905.13
Roads	3.64	-	-	-	0.07	3.71	1.96	0.22	-	0.03	2.21	1.50	1.68
Plant & Equipment	2,598.43	28.22	345.85	(45.16)	38.25	2,965.59	1,037.07	277.67	(12.56)	15.62	1,317.80	1,647.79	1,561.36
Furniture & fixtures	58.40	0.16	7.38	(0.13)	0.76	66.57	28.91	7.38	(0.07)	0.35	36.57	30.00	29.49
Office Equipment	27.19	0.29	5.25	(0.04)	0.05	32.74	16.15	5.19	(0.03)	0.02	21.33	11.41	11.04
Motor Vehicles	1.28	0.02	0.02	(0.07)	0.02	1.27	0.60	0.26	(0.08)	0.01	0.79	0.48	0.68
Total (I)	3,838.13	36.13	521.12	(45.40)	49.53	4,399.51	1,201.57	329.37	(12.74)	17.24	1,535.44	2,864.07	2,636.56
Intangible Assets													
Customer relations*	126.75	-	-	-	3.94	130.69	45.05	11.75	-	1.11	57.91	72.78	81.70
Product related Intangibles - Brands and Trademarks*+	2,672.04	-	8.13	-	77.14	2,757.31	609.50	173.46	-	15.61	798.57	1,958.74	2,062.54
Product related Intangibles - Copyrights, Knowhow and Intellectual property rights*	295.99	-	17.44	-	9.13	322.56	110.04	21.29	-	2.60	133.93	188.63	185.95
Computer Software	89.44	-	13.59	-	1.09	104.12	49.88	9.97	-	0.45	60.30	43.82	39.56
Product Know-how	143.68	405.62	38.05	-	(0.07)	587.28	31.15	13.87	-	0.14	45.16	542.12	112.53
Total (II)	3,327.90	405.62	77.21	-	91.23	3,901.96	845.62	230.34	-	19.91	1,095.87	2,806.09	2,482.28
Grand Total (I + II)	7,166.03	441.75	598.33	(45.40)	140.76	8,301.47	2,047.19	559.71	(12.74)	37.15	2,631.31	5,670.16	5,118.84

*Material Intangible Assets as on March 31, 2022 and March 31, 2021

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Asset Class	Asset Description	(₹ in Crores)		
		Carrying Amount as at March 31, 2022	Carrying Amount as at March 31, 2021	Remaining useful life as on March 31, 2022
Product-related Intangibles - Brands and Trademarks	Brands and trademarks	269.94	293.46	2 years to 15 years
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,718.19	1,738.77	16-21 years
Customer Relations	Purchased Brands	41.29	47.52	6 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	556.96	169.68	6-30 years

Depreciation for the period includes depreciation amounting to ₹ 7.88 Crores (Previous period: 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.

Refer note 26B(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

Refer note 55 and 56 for ageing of Capital Work in Progress and Intangible Assets under development

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) 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 Group's best estimate of the recoverable amounts.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

3. Property Plant & Equipment and Intangible assets

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT
	Balances Acquired as at March 04, 2020 refer note 63(B)(iii)	Acquisition under Business Combination refer note 63(B)(i) & (B)(ii)	Additions	Deductions/ Adjustments	Exchange Difference	As at March 31, 2021 (A)	Balances Acquired as at March 04, 2020 refer note 63(B) (iii)	For the period #	Deductions/ Adjustments	Exchange Difference	As at March 31, 2021 (B)	
Property, Plant & Equipment												
Land Freehold @	106.85	18.38	-	(0.43)	3.56	128.36	2.09	0.23	-	(1.14)	1.18	127.18
Building @	925.27	99.45	17.11	(15.08)	(5.92)	1,020.83	95.60	33.36	(6.63)	(6.63)	115.70	905.13
Roads	2.08	-	-	-	1.56	3.64	0.63	0.24	-	1.09	1.96	1.68
Plant & Equipment	2,130.83	166.62	320.02	(34.69)	15.65	2,598.43	810.01	255.23	(19.45)	(8.72)	1,037.07	1,561.36
Furniture & fixtures	61.63	0.57	4.94	(1.70)	(7.04)	58.40	28.74	7.83	(1.21)	(6.45)	28.91	29.49
Office Equipment	26.23	0.33	3.06	(2.71)	0.28	27.19	12.67	4.78	(1.50)	0.20	16.15	11.04
Motor Vehicles	1.57	-	0.02	(0.30)	(0.01)	1.28	0.45	0.20	(0.04)	(0.01)	0.60	0.68
Total (I)	3,254.46	285.35	345.15	(54.91)	8.08	3,838.13	950.19	301.87	(28.83)	(21.66)	1,201.57	2,636.56
Intangible Assets												
Customer relations*	105.98	-	-	-	20.77	126.75	13.49	11.09	-	20.47	45.05	81.70
Product related Intangibles - Brands and Trademarks**	2,545.90	-	-	-	126.14	2,672.04	383.73	157.68	-	68.09	609.50	2,062.54
Product related Intangibles - Copyrights, Knowhow and Intellectual property rights*	261.96	-	3.16	-	30.87	295.99	31.47	17.52	-	61.05	110.04	185.95
Computer Software	59.54	10.16	18.06	(0.87)	2.55	89.44	36.63	14.01	(0.87)	0.11	49.88	39.56
Product Know-how	67.20	-	73.53	(2.32)	5.27	143.68	9.69	22.30	(1.04)	0.20	31.15	112.53
Total (II)	3,040.58	10.16	94.75	(3.19)	185.60	3,327.90	475.01	222.60	(1.91)	149.92	845.62	2,482.28
Grand Total (I + II)	6,295.04	295.51	439.90	(58.10)	193.68	7,166.03	1,425.20	524.47	(30.74)	128.26	2,047.19	5,118.84

*Material Intangible Assets as on March 31, 2021

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Asset Class	Asset Description	Carrying Amount as at March 31, 2021	(₹ in Crores)	
			Remaining useful life as on March 31, 2021	
Product-related Intangibles - Brands and Trademarks	Brands and trademarks	293.46	3 years to 12 years	
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,738.77	17-22 years	
Customer Relations	Purchased Brands	47.52	7 years	
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	169.68	7 years	

Depreciation for the period includes depreciation amounting to ₹ 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.

@ Certain land and buildings were acquired, pursuant to Business transfer agreement between the Company and Piramal Enterprises Limited (Refer note 63(B)(iii)). The Company has completed the process of transferring title deeds in its name during the current year ended March 31, 2022.

Refer note 26B(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 period ended March 31, 2021

Refer note 55 and 56 for ageing of Capital Work in Progress and Intangible Assets under development. Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) 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 Group's best estimate of the recoverable amounts.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

4 (a) Investments accounted for using the equity method

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
Investments in Equity Instruments:						
A. In Joint Ventures (Unquoted) - At Cost:						
i. Convergence Chemicals Private Limited						
Interest as at April 01, 2021 (Previous period - March 04, 2020 to March 31, 2021)		-		-	35,705,100	36.75
Add - Share of profit for the period		-		-		15.40
Less - Share of unrealised profit on closing stock		-		-		(10.70)
Add - Share of other comprehensive income for the period		-		-		*
Less- De-recognised on conversion (Refer note 63(B)(ii))		-		-		(41.45)
		-		-		0.00
Total (A)		-		-		0.00
B. In Associates :						
I Unquoted - At Cost:						
i. Allergan India Private Limited (refer note 37(c)(i))						
Interest as at April 01, 2022 and April 01, 2021 respectively	3,920,000	78.09	3,920,000	109.67	3,920,000	191.67
Add - Share of profit for the year/ period		54.13		59.07		42.54
Add - Share of other comprehensive income for the year/period		*		*		*
Less - Dividend received		(83.79)		(90.65)		(124.54)
		48.41		78.09		109.67
ii. Yapan Bio Private Limited (refer note 37(c)(ii))						
Interest as at April 01, 2022 and April 01, 2021 respectively	100,000	101.73		-		-
Add - Investment during the year	20,000	20.35	100,000	101.77		-
Add - Share of profit for the year		0.20		(0.04)		-
Add - Share of other comprehensive income for the year		*		*		-
		121.70		101.73		-
Total (B)		170.11		179.82		109.67
Total equity accounted investments (A+B)		170.11		179.82		109.67

Aggregate carrying value of unquoted investments

170.11

179.82

109.67

* below rounding off norms adopted by the Group

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

4 (b) Investments

Non-Current Investments:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investments in Equity Instruments and other bodies corporate (fully paid-up)			
Unquoted - At FVTPL:			
Nyca Investment Fund III	39.54	34.87	12.96
BASF India Limited	0.04	0.04	0.04
Investments in Share Warrants			
Unquoted - At FVTPL:			
Bio Q Pharma Inc.	2.18	2.04	-
Total	41.76	36.95	13.00

Current Investments:

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
Investments in Equity Instruments (fully paid-up)						
Unquoted - At FVTPL:						
Bio Q Pharma Inc.	-	14.23	-	13.39	-	-
Investments in Mutual fund						
Quoted at FVTPL						
Aditya Birla Sun life Overnight Fund-Growth-Direct Plan	355,160	43.07	-	-	-	-
Kotak Overnight Fund Growth - Direct	225,826	27.00	194,100	22.01	-	-
UTI Overnight Fund - Direct Growth Plan Growth	97,814	30.02	51,550	15.00	-	-
Franklin India Short Term Income Plan (Growth)	2,530	0.02	-	-	-	-
Nippon India Equity Savings Fund - Growth	478,118	0.01	-	-	-	-
Investment in Money Market Funds						
Quoted - At FVTPL:						
Goldman Sachs Financial Square Government Funds	29,000,000	238.81	-	-	-	-
Dreyfus Treasury Obligations Cash Management	9,000,000	73.95	-	-	-	-
Total		427.11		50.40		-

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(i) Financial Assets carried at Cost			
Investments in Equity Instruments of Associates	170.11	179.82	109.67
(ii) Financial Assets carried at fair value through profit or loss (FVTPL)			
Equity	55.99	50.34	13.00
Mutual Funds	100.13	37.01	-
Money Market Funds	312.76	-	-
Total	638.99	267.17	122.67

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

5 Other Financial Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unbilled revenue #	1.86	75.06	58.18
Security Deposits	19.69	20.51	12.75
	21.55	95.57	70.93

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

6 Deferred Tax Assets (Net) (Refer note 49)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Deferred tax assets on account of temporary differences			
- Brought forward losses	338.77	302.16	221.05
- Property, Plant and Equipment and Intangible assets	-	-	6.45
- Unrealised profit margin on inventory	11.72	7.17	20.65
- Other temporary differences	3.30	2.85	1.34
	353.79	312.18	249.49
(b) Deferred tax liabilities on account of temporary differences			
- Property, Plant and Equipment and Intangible assets	3.01	4.36	-
- Other temporary differences	1.48	10.55	5.37
	4.49	14.91	5.37
	349.30	297.27	244.12

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws.

7 Other Non Current Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advance Tax [Net of Provision of ₹ 255.29 Crores at March 31, 2023 (Previous year ₹ 132.75 Crores at March 31, 2022 and Previous period ₹ NIL at March 31, 2021)]	30.07	15.53	14.78
Capital Advances	1.22	4.04	17.82
Advances recoverable	185.85	49.08	48.58
Prepayments	0.04	0.04	0.04
	217.18	68.69	81.22

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

8 Inventories

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Raw and Packing Materials [includes in Transit of ₹ 8.58 Crores as on March 31, 2023 (Previous year ₹ 21.15 Crores as on March 31, 2022 and previous period ₹ 0.24 Crores as on March 31, 2021)]	728.36	598.96	448.73
Work-in-Progress	334.72	322.40	318.13
Finished Goods	247.02	97.95	132.54
Stock-in-trade [includes in Transit of ₹ 12.31 Crores as on March 31, 2023, (Previous year ₹ 4.43 Crores as on March 31, 2022 and Previous period ₹ 3.84 Crores as on March 31, 2021)]	199.17	246.09	254.38
Stores and Spares [Includes in transit of ₹ NIL (Previous Year as on March 31, 2022 ₹ 0.98 Crores, Previous period ₹ Nil as on March 31, 2021)]	172.10	123.40	78.22
	1,681.37	1,388.80	1,232.00

1. Refer Note 41 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was ₹ 2,829.83 Crores (Previous year ₹ 2,555.22 crores as at March 31, 2022 and Previous period ₹ 2,158.97 crores as at March 31, 2021)
3. The cost of inventories recognised as an expense includes a reversal of ₹ 6.45 Crores (Previous year 21-22: charge of ₹ 0.07 Crores and Previous period 20-21: charge of ₹ 0.37 Crores) in respect of write downs of inventory to net realisable value and a charge of ₹ 99.42 crores (Previous year 21-22: ₹ 47.02 Crores and Previous period 20-21: ₹ 35.74 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.
4. Refer Note 2(a)(ix) for policy for valuation of inventories.

9 Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(a) Secured - Considered Good	0.23	-	-
(b) Unsecured - Considered Good	1,801.57	1,790.70	1,579.16
Less: Expected Credit Loss on (a)	(2.46)	(5.42)	(4.22)
(c) Unsecured - Considered Doubtful	100.96	49.10	43.10
Less: Expected Credit Loss on (b)	(100.96)	(49.10)	(43.10)
	1,799.34	1,785.28	1,574.94

The credit period on sale of goods ranges from 7 to 150 days;

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

Ageing - Pharmaceuticals Manufacturing and Services business	Expected credit loss for external customer		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Less than 365 days	0.30%	0.30%	0.30%
More than 365 days	100.00%	100.00%	100.00%

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Movement in Expected Credit Loss Allowance:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Period ended March 31, 2021
Balance at the beginning of the year/ period	54.52	47.32	35.28
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	42.05	7.54	12.35
Less: Bad debts written off	(1.29)	(0.10)	(0.15)
Add: Transfer from Piramal Enterprises Limited on account of demerger	8.13	-	-
Add: Effect of translation differences	0.01	(0.24)	(0.16)
Balance at the end of the year	103.42	54.52	47.32

Refer Note 53 for ageing of Trade Receivables

Refer Note 41 for the receivables hypothecated as security against borrowings.

10 Cash & Cash equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance with Banks			
- Current Account	193.38	205.60	384.52
- Cheques in hand	-	22.41	-
Cash on Hand	2.21	0.09	0.13
	195.59	228.10	384.65

11 Other Bank Balances

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks	102.09	91.35	12.23
Margin Money	6.12	5.62	5.62
Deposit Account more than 3 months original maturity but less than 12 months (Held as security against borrowings/ guarantees: ₹ 3.66 Crores (Previous year 21-22: ₹ 3.21 Crores))	3.76	3.92	3.12
	111.97	100.89	20.97

12 Other Financial Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Security Deposits	15.10	4.93	4.87
Derivative Financial Assets	23.16	7.48	17.07
Other Receivable from related parties	2.98	12.38	40.21
Unbilled revenues #	15.01	23.33	33.18
Interest Accrued	2.20	0.29	0.16
Others (includes claims receivable from third party etc.)	33.97	2.44	16.57
	92.42	50.85	112.06

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

13 Other Current assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured and Considered Good			
Advances	131.34	132.39	87.50
Prepayments	76.57	69.55	62.66
Balance with Government Authorities	318.41	259.44	169.59
Claims Receivable (includes export incentive)	1.36	1.52	4.33
	527.68	462.90	324.08

14 Equity Share Capital

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital*			
2,62,90,00,000 (As on March 31, 2022: 1,50,00,00,000, As on March 31, 2021: 1,50,00,00,000) equity shares of ₹ 10 each	2,629.00	1,500.00	1,500.00
10,00,00,000 (As on March 31, 2022: 10,00,00,000, As on March 31, 2021: 10,00,00,000) compulsorily convertible preference shares of ₹ 10/- each	-	100.00	100.00
35,00,00,000 preference shares of ₹ 10 each	350.00	-	-
2,10,00,000 unclassified shares	21.00	-	-
	3,000.00	1,600.00	1,600.00
Issued, Subscribed & Paid Up Capital			
1,19,33,18,500 (As on March 31, 2022: 1,18,59,13,506, As on March 31, 2021: 99,46,02,064) equity shares of face value of ₹ 10/- each fully paid.	1,193.32	1,185.91	994.60
	1,193.32	1,185.91	994.60

*The Authorised share capital of the Company is increased pursuant to the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited ('the Company'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Finvest Private Limited and their respective shareholders and creditors which was approved by the National Company Law Tribunal, Mumbai Bench vide its order dated 12th August, 2022 ('scheme')

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(i) Movement in Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	(₹ in Crores)	No. of shares	(₹ in Crores)	No. of shares	(₹ in Crores)
At the beginning of the year/period	1,185,913,506	1,185.91	994,602,064	994.60	10,000	0.01
Add: Issued during the year/period						
Rights Issue - Piramal Enterprises Limited	-	-	-	-	785,000,000	785.00
Preferential Issue - Piramal Enterprises Limited	-	-	9,657,423	9.65	10,671,651	10.67
Preferential Issue - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	-	-	3,988,262	3.99	198,920,413	198.92
Bonus Shares - Piramal Enterprises Limited	-	-	141,910,732	141.91	-	-
Bonus Shares - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	-	-	35,755,025	35.76	-	-
Allotment of shares pursuant to the Scheme	954,654,800	954.65	-	-	-	-
Less: Cancelled during the year/ period						
Cancellation of equity shares held by PEL and its nominees pursuant to the Scheme	(947,249,806)	(947.24)	-	-	-	-
At the end of the year/period	1,193,318,500	1,193.32	1,185,913,506	1,185.91	994,602,064	994.60

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

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustee Mr. Ajay G Piramal and Dr. (Mrs.) Swati A Piramal	315,510,320	26.44%	-	-	-	-
Caisse De Depot Et Placement Du Quebec	65,980,753	5.53%	-	-	-	-
Piramal Enterprises Limited	-	-	947,249,806	79.88%	795,681,651	80.00%
CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	238,663,700	20.00%	238,663,700	20.12%	198,920,413	20.00%

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(iii) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the Restated Statement of assets and liabilities date:

Particulars	Financial Year	No. of shares
Allotment of equity shares of face value ₹ 10 each fully paid up to the shareholders of Piramal Enterprises limited in the ratio of 1:4 pursuant to composite scheme of arrangement	2022-23	954,654,800
Allotment of equity shares of face value of ₹ 10 each as bonus shares to the existing shareholders in the ratio 5.674:1	2021-22	177,665,757
Allotment of equity shares of face value ₹ 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited.	2021-22	9,657,423
Allotment of equity shares of face value ₹ 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments).	2021-22	3,988,262
Allotment of equity shares of face value ₹ 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	10,671,651

(iv) Terms and Rights attached to equity shares

Equity Shares:

The Company has one class of equity shares having a face value of ₹ 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:

	₹ in Crores
Balance as at March 04, 2020	-
Issued during the period (10,00,00,000 share warrants having face value ₹ 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	-
Lapsed during the year	-
Balance as at March 31, 2023	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(vi) Refer note 21 for Compulsory Convertible Preference Shares

(vii) Shareholdings of Promoter

Shares held by promoters at the end of the year as at March 31, 2023

Promoter Name	No. of shares	% of total shares	% Change during the year*
Ajay G. Piramal	493,184	0.04	100
Swati A. Piramal	8,400	0.00	100
Anand Piramal	788,388	0.07	100
Nandini Piramal	181,948	0.02	100
Lalita G. Piramal	4,936	0.00	100
Peter DeYoung	432,000	0.04	100
Anya Piramal DeYoung	192,000	0.02	100
Master Dev Piramal Deyoung	192,000	0.02	100
Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	26,028	0.00	100
PRL Realtors LLP	35,895,652	3.01	100
The Ajay G. Piramal Foundation	3,946,924	0.33	100
V3 Designs LLP	38,804,000	3.25	100
Anand Piramal Trust	557,308	0.05	100
Nandini Piramal Trust	490,960	0.04	100
Aasan Corporate Solutions Private Limited	8,055,500	0.68	100
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	9,543,224	0.80	100
The Sri Krishna Trust (Through its trustees Ajay G. Piramal and Swati Piramal)	315,510,320	26.44	100

*Since company is listed during the year, shareholding of promoter is changed.

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	947,249,806	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	795,681,651	80.00%	Not Applicable

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

15 Other Equity

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital Reserve	406.66	406.66	406.66
Securities premium	3,818.71	3,725.18	3,249.49
(Securities Premium is on account of issue of equity shares. The reserve will utilised in accordance with the provision of the Companies Act, 2013.)			
Retained Earnings	956.42	1,158.85	832.56
(The retained earnings are the profits that the company has earned to date, less any dividend or distributions paid to investors)			
Foreign Currency Translation Reserve	401.73	207.91	115.71
(Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.)			
Cash Flow Hedging Reserve	(3.36)	12.09	5.88
(The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to 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 46(d)))			
	5,580.18	5,510.69	4,610.30

On November 10, 2021, interim dividend of ₹ 0.42 per equity share (Face value of ₹ 10/- each) amounting to ₹ 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 ₹ 0.56 per equity share (face value of ₹ 10/- each) amounting to ₹ 67 Crores has been recommended by the Board of Directors which is subject to approval of the shareholders.

The Company has not declared any dividend and has not proposed final dividend for the financial year 2022-2023.

Refer Statement of Changes in Equity for movement in reserves.

16 Non-Current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Secured - at amortized cost			
(i) Term Loan From Banks and Financial Institutions			
- Rupee Loans	293.81	277.97	34.77
- Others	2,691.20	2,145.02	2,304.39
(ii) Redeemable Non Convertible Debenture	398.53	199.15	-
	3,383.54	2,622.14	2,339.16

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Secured Term Loans from Banks, Financial Institutions & Others

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank.	Repayment in 20 quarterly instalments from Sept 2019 with lumpsum payment at end of 5 years. Option to renew another 5 years.	-	769.34	837.07
JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank.	Repayment in 20 quarterly instalments from Sept 2019 with lumpsum payment at end of 5 years. Option to renew another 5 years.	-	189.49	-
PNC Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 20 quarterly instalments from Sept 2019 with lumpsum payment at end of 5 years. Option to renew another 5 years.	-	13.90	19.13
City National Bank Florida Term Loan - vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Aug 2019	6.42	10.15	13.68
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jun 2020	4.09	5.43	6.78
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	5.72	7.34	9.00
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	9.67	12.41	15.23
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Nov 2020	19.93	25.08	30.45
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jan 2021	11.88	14.70	17.67
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	9.33	11.46	13.72
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	4.76	5.85	7.00
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Apr 2021	7.27	8.81	10.45
Negative pledge over all and whole of the leasehold interest in the PMF Building, Earl's Road, Grangemouth, FK 3 8XG (Otherwise known as PMF Building Avecia Complex Grangemouth) registered in the land register of Scotland.	Repayable in unequal quarterly installments after 24 months from the date of drawdown and final repayment date is June 30, 2029	158.61	-	-
SBI Term Loan facility - All the assets (except carved out vaporizers financed through Fifth Third, Citizens Bank, and City National Bank of Florida) of the Company are collateralized.	Repayment in quarterly installments beginning March 2023.	1,618.83	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Corporate Guarantee by PPL and First ranking security over assets of Piramal Dutch Holdings NV to ensure asset coverage ratio of 1.05x*	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	442.54	506.10	511.81
PCCUK-Charge on brands acquired on exclusive basis*	Repayable in 7 quarterly instalments of \$ 5.305 Mn starting March 2022, followed by 6 quarterly instalments of \$5.310mn starting December 2023 and a lumpsum payment of \$ 46 Mn in June 2025	727.03	831.46	840.80
Corporate Guarantee by PPL and First ranking security over assets of PEL Pharma to ensure asset coverage ratio of 1.05x*	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	252.88	289.20	292.46
First pari passu on entire Property Plant & Equipment of borrower, present and future. First charge on Current Assets of borrower, present and future.	Repayable in 20 Quarterly instalments from Feb 2019	15.00	35.00	54.45
First pari passu on entire Property Plant & Equipment of borrower, present and future. Secon First pari passu charge on Current Assets of borrower, present and future.	Repayable in 30 Quarterly instalments from Dec 2022	21.74	17.57	-
First pari passu charge over pool of selected Tangible Assets and Intangible Assets.	Total tenor of 5 years from date of first drawdown (Year 1 - NIL, Year 2 - 21 %, Year 3 - 21 %, Year 4 - 29 %, Year 5 - 29 %)	200.00	-	-
First pari passu hypothecation charge on all existing and future moveable fixed assets of the Borrower.	Total tenor of 5 years from date of first drawdown - repayment in 7 unequal half yearly instalments after moratorium of 18 months	100.00	-	-
First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets.	Repayable on May 31, 2023	250.00	500.00	-

* Guarantee was earlier given by PEL, however during the current period, the same has been transferred in the name of PPL

Group has utilised the borrowings (including current borrowings) for the purpose for which they were taken.

The coupon rate for the above loans are in the range of 3.25% to 9.64% per annum (Previous year 21-22: 2.79% [LIBOR+2.60%] to 7.70% per annum)

(Previous period 20-21: 2.79% [LIBOR+2.60%] to 7.65 % per annum).

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 account for the Company.

Refer Note 41 for assets hypothecated/mortgaged as securities against the Secured Borrowings

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari- pasu charge over pool of selected tangible and intangible assets.	The amount of ₹ 200 Crores is redeemable at par in equal annual repayment at the end of 3 rd , 4 th and 5 th year from the date of drawdown with a put and call option at the end of 3 years and 4 years.	200.00	200.00	-
First Pari-Passu charge over pool of selected tangible and intangible assets.	The amount of ₹ 100 Crores is redeemable at par at the end of 3 rd year	100.00	-	-
First Pari-Passu charge over pool of selected tangible and intangible assets.	The amount of ₹ 100 Crores is redeemable at par in equal annual repayment at the end of 3 rd , 4 th and 5 th year from the date of drawdown with a put and call option at the end of 3 years and 4 years.	100.00	-	-

The rate for the above debentures is 8.15 % per annum to 8.93 % per annum (Previous year 21-22: 7.50 % per annum) (Previous period 20-21: NIL)

Refer Note 41 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

17 Other Financial Liabilities

(₹ in Crores)

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Contingent consideration at FVTPL	4.98	0.40	-
	4.98	0.40	0.00

18 Non-Current Provision

(₹ in Crores)

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Provision for employee benefits (Refer note 39)	20.59	12.51	6.70
Provision for Onerous contracts*	0.09	0.08	0.08
	20.68	12.59	6.78

*Refer Note 47 for movement during the period

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

19 Deferred tax liabilities (Net) (Refer note 49)

(₹ in Crores)

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
(a) Deferred Tax Assets on account of temporary differences			
- Brought forward losses	16.66	17.40	18.83
- Expenses that are allowed on payment basis	79.47	74.64	15.05
- Remeasurement of defined benefit obligation	1.62	0.75	0.82
- Fair Value measurement of derivative contracts	0.13	0.22	0.07
- Expected Credit Loss on Trade Receivables	10.93	0.99	0.24
- Debt EIR impact	1.82	-	-
- Other temporary differences	0.65	(0.00)	0.05
Total (a)	111.28	94.00	35.06
(b) Deferred Tax Liabilities on account of temporary differences			
- Property, Plant and Equipment and Intangible assets	314.28	281.45	252.96
- Recognition of Lease rent expense	10.44	1.76	4.30
- Debt EIR Impact	0.77	0.07	0.14
- Other temporary differences	5.11	2.74	0.15
Total (b)	330.59	286.02	257.55
Deferred Tax Liabilities (Net) (b)-(a)	219.31	192.01	222.49

20 Other Non-Current Liabilities

(₹ in Crores)

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Deferred Government grant related to assets	18.73	3.29	1.95
Advances from customer	142.02	107.73	107.17
Deferred Revenue	14.83	42.74	33.54
	175.58	153.76	142.66

21 Current Borrowings

(₹ in Crores)

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Secured - at amortised cost			
Loans from banks			
- Working Capital Demand Loan	972.71	307.44	84.87
- Overdraft with banks (including PCRE and PCFC)	322.16	309.51	173.88
Unsecured - at amortised cost			
Loans from banks			
- Repayable on demand	2.97	15.16	14.70
Compulsory Convertible Preference Shares (CCPS) at ₹ 10 each *	-	-	75.00
Loans from Related Parties	-	3.04	3.08
Overdraft with banks	4.45	23.61	8.99
Current maturities of long-term debt	818.94	742.38	210.51
	2,121.23	1,401.14	571.03

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan	At Call	3.99 % to 8.90 % per annum
Overdraft with banks	At Call	4.87% to 6.97% per annum
Others (PCRE)	At Call	7.90 % to 8.85 % per annum
Unsecured Loans:		
Loans from Banks (Repayable on demand)	At Call	4.87% to 6.25% per annum

A. Working capital Demand Loan and Overdraft

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
JP Morgan Revolver Facility - All the assets (except carved out vaporizers financed through PNC Bank, City National Bank, Fifth Third Bank and Citizen Bank of Florida and intangibles acquired from fellow subsidiary) of the Company are collateralized against the WCDL from JP Morgan Chase Bank.	As we determine. 5 year term with renewable 5 year option	-	0.75	51.27
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future.	1 year term . Renewable every year	44.72	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Sep 04, 2023	35.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 25, 2023	25.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 25, 2023	30.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 23, 2023	30.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 08, 2023	45.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 21, 2023	20.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 19, 2023	20.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 17, 2023	25.00	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	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 July 15, 2023	25.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 9, 2023	50.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 7, 2023	20.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 09, 2023	30.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 04, 2023	45.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 03, 2023	49.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Apr 28, 2023	20.00	-	-
First pari passu charge over the present and future current assets (Stock & Debtors) of the Borrower.	Repayable on Apr 28, 2023	50.00	-	-
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	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
Exclusive charge on current assets	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	42.12	-
First charge on current assets (receivables and/or Inventory)	Payable after 364 days from the date of facility availed	-	7.43	-
Secured by trade receivables and Inventory for North American sites	At Call	71.90	39.79	-
Secured by trade receivables for Canada sites	At Call	85.12	-	-
Secured by trade receivables and and Inventory for North American sites	At Call	43.14	-	-
SBI Revolving Loan facility - All the assets (except carved out vaporizers financed through Fifth Third, Citizens Bank and City National Bank of Florida) of the Company are collateralized.	Repayment in quarterly instalments beginning June 2023 with rollover option.	207.33	-	-
Secured by first priority perfected security interest in and lien on trade receivables and and Inventory for North American sites	At Call	-	24.63	-
Secured by first pari-passu charge over entire current assets of the Company, both present and future	Repayable on May 24, 2021	-	-	30.00
First charge (Hypothecation) on Current assets and Second charge (hypothecation) on movable fixed assets. Also, Corporate guarantee given by Piramal Enterprises Limited and Navin Fluorine International Limited in the share of 51:49, respectively.	On the due date of receipt against export bill discounted, ie. 14-05-21	-	-	2.92

Refer Note 41 for assets hypothecated/mortgaged as securities against the Secured Borrowings

B. Packing Credit loan (PCRE)

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on June 6, 2023	50.00	-	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on September 01, 2023	10.00	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Principal Outstanding as at March 31, 2021
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on August 29, 2023	63.00	-	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on August 28, 2023	27.00	-	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 31, 2023	50.00	-	-
These are secured by first pari-passu charge over the company's Stocks & Receivables	Repayable on September 18, 2022	-	50.00	-
These are secured by first pari-passu charge over the company's Stocks & Receivables	Repayable on September 12, 2022	-	50.00	-
These are secured by first pari-passu charge over entire current assets of the company, both present and future	Repayable on June 24, 2022	-	40.00	-
These are secured by first pari-passu charge over entire current assets of the company, both present and future	Repayable on June 10, 2022	-	50.00	-
secured by first pari-passu charge over entire current assets of the Company, both present and future	Repayable on May 4, 2021	-	-	60.02

Refer Note 41 for assets hypothecated/mortgaged as securities against the Secured Borrowings

* CCPS – These instruments were to be mandatorily converted into Equity Shares on October 6, 2021. Conversion price for CCPS was to be determined in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time.

Dividend @ 0.00001% was 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 ₹ 10 each were allotted to CA Alchemy.

22 Other Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Payable to related parties	-	0.01	0.22
Employee related liabilities	199.43	142.79	125.55
Contingent consideration at FVTPL	6.15	89.51	-
Capital Creditors	1.50	2.96	2.25
Retention money	-	0.35	0.25
Security Deposits Received	3.91	2.65	2.60
Derivative Financial Liabilities	4.94	-	-
Other payables (Refer Note 39)	11.12	20.76	592.00
	227.05	259.03	722.87

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

23 Other Current Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advance From Customers	117.47	140.17	101.10
Deferred Revenue	83.66	45.02	47.46
Deferred Government grant related to assets	2.24	0.25	0.25
Statutory Dues	25.55	37.47	36.94
	228.92	222.91	185.75

24 Current Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer Note 39)	39.21	33.81	31.78
	39.21	33.81	31.78

25 Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Income Tax (Net of advance Tax of ₹ 7.99 Crores) (Previous year ended March 31, 2022 - ₹ 84.67 Crores and previous period ended March 31, 2021 - ₹ 100.41 Crores)	3.54	71.66	39.42
	3.54	71.66	39.42

26 Contingent liabilities and Commitments

(₹ in Crores)

	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
A	Contingent liabilities:			
1	Claims against the Group not acknowledged as debts:			
	Dispute with Telangana Pollution Control Board (TPCB)	11.86	11.86	3.00
	Others	-	1.52	-
2	Others:			
	i. Appeals filed in respect of disputed demands:			
	Income Tax			
	- where the Group is in appeal	-	0.42	-
	Sales Tax	2.83	1.06	1.06
	Central / State Excise / Service Tax / Customs	39.36	25.55	15.17
	Labour Matters	1.92	2.17	1.10
	Stamp Duty	-	-	9.37
	ii. Unexpired Letters of Credit	1.35	2.36	0.28
B	Commitments:			
	a. Estimated amount of contracts remaining to be executed on capital account and not provided for	225.34	292.15	160.61
	b. The Group has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	23.12	28.38	12.96

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

27 Revenue From Operations

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
A. Revenue from contract with customers			
Sale of products	5,933.41	5,576.88	5,369.66
Sale of Services	1,043.42	853.89	900.62
Other operating revenues:			
Scrap Sales	32.26	55.12	15.94
Distribution fees	55.58	40.73	-
Others (insurance claims, export incentives etc.)	16.88	32.48	28.68
Total	7,081.55	6,559.10	6,314.90

*For the period March 04, 2020 - March 31, 2021 : includes insurance claim of ₹ 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. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2023

(₹ in Crores)

Revenue by product line/ timing of transfer of goods/ services	For the year ended March 31, 2023	
	At point in time	Over time
Global Pharma	5,503.27	654.79
Over the counter products	818.77	-
Total	6,322.04	654.79

For the year ended March 31, 2022

(₹ in Crores)

Revenue by product line/ timing of transfer of goods/ services	For the year ended March 31, 2022	
	At point in time	Over time
Global Pharma	5,118.72	570.10
Over the counter products	741.95	-
Total	5,860.67	570.10

For the year ended March 31, 2021

(₹ in Crores)

Revenue by product line/ timing of transfer of goods/ services	For the period from March 04, 2020 to March 31, 2021	
	At point in time	Over time
Global Pharma	5,086.52	656.56
Over the counter products	527.20	-
Total	5,613.72	656.56

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Reconciliation of revenue recognised with contract price:

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period ended March 31, 2021
Sale of products and services at transaction price	8,002.18	7,177.49	6,958.64
Less: Discounts	(1,025.35)	(746.72)	(688.36)
Revenue recognised on sale of products and services	6,976.83	6,430.77	6,270.28

28 Other Income (NET)

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Interest Revenue on Financial Assets			
- Bank Deposits at amortised costs	1.64	0.68	4.02
Other Gains & Losses:			
- Gain on acquisition of subsidiary	-	-	26.31
- Gain on Sale of Property, Plant and Equipment	-	-	1.14
- Exchange Gain (Net)	110.77	16.86	61.27
- Income on instruments mandatorily measured at FVTPL	0.98	21.18	-
Miscellaneous Income (mainly includes amortization of government grants and one time claim received in previous year, etc.)	61.14	174.99	64.63
Write back of liabilities no longer payable	49.00	60.13	6.74
Profit on Sale of Investment	1.58	1.95	-
Total	225.11	275.80	164.11

29 Cost of materials consumed

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Raw and Packing Materials			
Opening Inventory	598.96	448.73	178.11
Inventory acquired on business combination (Refer note 63)	29.41	9.73	171.75
Add: Purchases	1,782.45	1,707.46	1,616.95
Less: Closing Inventory	728.36	598.96	448.73
Total	1,682.46	1,566.96	1,518.08

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

30 Purchases of Stock-in-Trade

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Traded Goods	952.20	829.07	593.77
Total	952.20	829.07	593.77

31 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Opening Inventory:			
Work-in-Progress	322.40	318.14	394.84
Finished Goods	97.95	132.54	112.31
Stock-in-trade	246.09	254.38	145.16
Stock acquired in business acquisition (Refer note 63)			
Work-in-Progress	29.99	11.31	-
Finished Goods	28.05	5.30	-
Stock-in-trade	125.09	-	-
Less: Closing Inventory :			
Work-in-Progress	334.72	322.40	318.13
Finished Goods	247.03	97.95	132.54
Stock-in-trade	199.18	246.09	254.38
Total	68.64	55.22	(52.74)

32 Employee benefits expense

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Salaries and Wages (In previous period ended March 21, corporate Expense allocation of INR 25.92 crore pertaining to pharma business was transferred to the Company)	1,641.62	1,367.67	1,241.23
Contribution to Provident and Other Funds (Refer Note 39)	114.92	101.98	98.42
Gratuity Expense (Refer Note 39)	3.64	3.81	5.12
Staff Welfare	136.17	115.37	122.97
Total	1,896.35	1,588.83	1,467.74

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

33 Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Finance Charge on financial liabilities measured at amortised cost	337.67	188.78	158.02
Interest on Income Tax	0.04	-	-
Other borrowing costs	6.47	9.47	5.43
Total	344.18	198.25	163.45

34 Other expenses (Net)

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Processing Charges	22.87	11.85	11.46
Consumption of Stores and Spares Parts	126.53	103.98	99.86
Consumption of Laboratory materials	114.14	78.52	99.56
Power, Fuel and Water Charges	207.81	163.56	136.70
Repairs and Maintenance			
Buildings	72.87	54.39	38.38
Plant and Machinery	162.96	140.24	124.49
Others	32.16	25.14	24.37
Rent			
Premises	3.46	2.91	7.86
Other Assets	28.64	25.34	20.76
Rates & Taxes	57.17	73.44	45.69
Insurance	43.84	42.56	36.57
Travelling Expenses	66.49	34.76	22.05
Directors' Commission	1.63	0.72	0.45
Directors' Sitting Fees	0.39	0.32	0.03
Trade Receivables written off	-	1.16	0.15
Expected Credit Loss on Trade Receivables (Refer Note 9)	42.05	7.44	12.35
Property, Plant & Equipments Written Off	-	-	3.43
Loss on sale of property, plant & equipment	0.48	0.54	5.74
Advertisement and Business Promotion Expenses	176.15	151.33	102.73
Donations	8.99	9.61	1.52
Contribution to Electoral Trust	3.00	-	-
Freight	144.53	133.11	110.46
Export expenses	3.01	1.18	2.25
Clearing and Forwarding Expenses	48.90	32.19	34.72
Communication and Postage	14.32	12.30	14.89
Printing and Stationery	12.84	9.04	7.82
Legal Charges	10.75	13.92	10.71
Professional Charges	162.78	122.43	111.50
Royalty Expense	56.21	46.57	46.89

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Service Charges (In period ending March 21 corporate expense allocation of ₹ 27.42 crores pertaining to pharma business was transferred to the Company)	38.59	53.06	65.34
Information Technology Costs	30.25	36.19	16.72
R & D Expenses Net	86.36	128.34	99.08
Miscellaneous Expenses	73.49	53.25	45.56
Total	1,853.66	1,569.38	1,360.09

Note

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 7.58 Crores (Previous year 21-22 ₹ 7.11 Crores and Previous period 20-21 ₹ Nil)
- Amount of expenditure incurred ₹ 7.58 Crores (Previous year 21-22: - ₹ 7.40 crores and Previous period 20-21: - ₹ Nil)
- Shortfall at the end of the year ₹ Nil (previous year 21-22- Nil and previous period 20-21- Nil)
- Total of previous period's shortfall ₹ Nil (Previous year 21-22 - Nil and previous period 20-21- Nil)
- Reason for shortfall - Not Applicable
- Nature of CSR activities - Aspirational District Collaborative Education programme (Previous Year 21-22: Education programme in Districts of Jharkhand, Chhattisgarh, Uttarakhand, Odisha, Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana. Aspirational District Collaborative (District Transformation Program)).
- 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

35 Exceptional Items

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
a. Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	-	-	100.80
b. Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center	-	-	(37.42)
c. Certain transaction cost related to business combination (Refer note 63)	(6.96)	(15.08)	(45.15)
Total	(6.96)	(15.08)	18.23

36 Other Comprehensive Income / (Loss) (Net Of Taxes)

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Remeasurement of post-employment benefit obligations (Refer Note 39)	(2.57)	0.33	(2.47)
Deferred gains / (losses) on cash flow hedges	(15.45)	6.21	5.88
Gain on bargain purchase	-	-	7.43
Exchange differences on translation of foreign operations	193.82	92.20	115.71
Total	175.80	98.74	126.55

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

37 Interests in other entities

(a) Subsidiaries

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

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

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

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2023	% voting power held as at March 31, 2023	
1	Piramal Critical Care Italia, S.P.A.**	Italy	100%	-	Pharmaceutical manufacturing and services
2	Piramal Critical Care Deutschland GmbH**	Germany	100%	-	Pharmaceutical manufacturing and services
3	Piramal Critical Care Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
4	Piramal Healthcare (Canada) Limited** (Piramal Healthcare, Canada)	Canada	100%	-	Pharmaceutical manufacturing and services
5	Piramal Critical Care B.V.**	Netherlands	100%	-	Pharmaceutical manufacturing and services
6	Piramal Pharma Solutions (Dutch) B.V.**	Netherlands	100%	-	Pharmaceutical manufacturing and services
7	Piramal Critical Care Pty. Ltd.**	Australia	100%	-	Pharmaceutical manufacturing and services
8	Piramal Healthcare UK Limited** (Piramal Healthcare UK)	U.K.	100%	-	Pharmaceutical manufacturing and services
9	Piramal Healthcare Pension Trustees Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
10	Piramal Critical Care South Africa (Pty) Ltd**	South Africa	100%	-	Pharmaceutical manufacturing and services
11	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Investment Entity (Majorly Investment in Subsidiary)
12	Piramal Healthcare Inc.@	U.S.A	100%	-	Investment Entity (Majorly Investment in Subsidiary)
13	Piramal Critical Care, Inc.** (PCCI)	U.S.A	100%	-	Pharmaceutical manufacturing and services
14	Piramal Pharma Inc.**	U.S.A	100%	-	Pharmaceutical manufacturing and services
15	Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%	-	Pharmaceutical manufacturing and services
16	PEL Pharma Inc.@	U.S.A	100%	-	Investment Entity (Majorly Investment in Subsidiary)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2023	% voting power held as at March 31, 2023	
17	PEL Healthcare LLC** (w.e.f June 26, 2020)	U.S.A	100%	-	Pharmaceutical manufacturing and services
18	Ash Stevens LLC** (Ash Stevens)	U.S.A	100%	-	Pharmaceutical manufacturing and services
19	Piramal Pharma II Private Limited (w.e.f June 8, 2022)	India	100%	-	Pharmaceutical manufacturing and services
20	Piramal Pharma Japan GK (w.e.f November 05, 2021)**	Japan	100%	-	Pharmaceutical manufacturing and services
21	Piramal Critical Care ΜΟΝΟΠΡΟΣΩΠΗ Ι.Κ.Ε. (w.e.f. February 28, 2023) **	Greece	100%	-	Pharmaceutical manufacturing and services

** held through Piramal Dutch Holdings N.V

@ 10% held through PPL and 90% through Piramal Dutch Holdings N.V

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

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

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

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2022	% voting power held as at March 31, 2022	
1	Piramal Critical Care Italia, S.P.A**	Italy	100%	-	Pharmaceutical manufacturing and services
2	Piramal Critical Care Deutschland GmbH**	Germany	100%	-	Pharmaceutical manufacturing and services
3	Piramal Critical Care Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
4	Piramal Healthcare (Canada) Limited** (Piramal Healthcare, Canada)	Canada	100%	-	Pharmaceutical manufacturing and services
5	Piramal Critical Care B.V.**	Netherlands	100%	-	Pharmaceutical manufacturing and services
6	Piramal Pharma Solutions (Dutch) B.V.**	Netherlands	100%	-	Pharmaceutical manufacturing and services
7	Piramal Critical Care Pty. Ltd.**	Australia	100%	-	Pharmaceutical manufacturing and services
8	Piramal Healthcare UK Limited** (Piramal Healthcare UK)	U.K.	100%	-	Pharmaceutical manufacturing and services
9	Piramal Healthcare Pension Trustees Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2022	% voting power held as at March 31, 2022	
10	Piramal Critical Care South Africa (Pty) Ltd**	South Africa	100%	-	Pharmaceutical manufacturing and services
11	Piramal Dutch Holdings N.V.	Netherlands	100%	-	"Investment Entity (Majorly Investment in Subsidiary)"
12	Piramal Healthcare Inc.@	U.S.A	100%	-	Investment Entity (Majorly Investment in Subsidiary)
13	Piramal Critical Care, Inc.** (PCCI)	U.S.A	100%	-	Pharmaceutical manufacturing and services
14	Piramal Pharma Inc.**	U.S.A	100%	-	Pharmaceutical manufacturing and services
15	Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%	-	Pharmaceutical manufacturing and services
16	PEL Pharma Inc.@	U.S.A	100%	-	Investment Entity (Majorly Investment in Subsidiary)
17	PEL Healthcare LLC** (w.e.f June 26, 2020)	U.S.A	100%	-	Pharmaceutical manufacturing and services
18	Ash Stevens LLC** (Ash Stevens)	U.S.A	100%	-	Pharmaceutical manufacturing and services
19	Piramal Pharma Japan GK (w.e.f November 05, 2021)**	Japan	100%	-	Pharmaceutical manufacturing and services

** held through Piramal Dutch Holdings N.V

@ 10% held through PPL and 90% through Piramal Dutch Holdings N.V

The Group's subsidiaries at March 31, 2021 are set out below.

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

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

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2022	% voting power held as at March 31, 2022	
1	Piramal Critical Care Italia, S.P.A**	Italy	100%	-	Pharmaceutical manufacturing and services
2	Piramal Critical Care Deutschland GmbH**	Germany	100%	-	Pharmaceutical manufacturing and services
3	Piramal Critical Care Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2022	% voting power held as at March 31, 2022	
4	Piramal Healthcare (Canada) Limited** (Piramal Healthcare, Canada)	Canada	100%	-	Pharmaceutical manufacturing and services
5	Piramal Critical Care B.V.**	Netherlands	100%	-	Pharmaceutical manufacturing and services
6	Piramal Pharma Solutions (Dutch) B.V.**	Netherlands	100%	-	Pharmaceutical manufacturing and services
7	Piramal Critical Care Pty. Ltd.**	Australia	100%	-	Pharmaceutical manufacturing and services
8	Piramal Healthcare UK Limited** (Piramal Healthcare UK)	U.K.	100%	-	Pharmaceutical manufacturing and services
9	Piramal Healthcare Pension Trustees Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
10	Piramal Critical Care South Africa (Pty) Ltd**	South Africa	100%	-	Pharmaceutical manufacturing and services
11	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Investment Entity (Majorly Investment in Subsidiary)
12	Piramal Healthcare Inc.@	U.S.A	100%	-	Investment Entity (Majorly Investment in Subsidiary)
13	Piramal Critical Care, Inc.** (PCCI)	U.S.A	100%	-	Pharmaceutical manufacturing and services
14	Piramal Pharma Inc.**	U.S.A	100%	-	Pharmaceutical manufacturing and services
15	Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%	-	Pharmaceutical manufacturing and services
16	PEL Pharma Inc.@	U.S.A	100%	-	Investment Entity (Majorly Investment in Subsidiary)
17	PEL Healthcare LLC** (w.e.f June 26, 2020)	U.S.A	100%	-	Pharmaceutical manufacturing and services
18	Ash Stevens LLC** (Ash Stevens)	U.S.A	100%	-	Pharmaceutical manufacturing and services
19	Convergence Chemicals Private Limited (w.e.f February 25, 2021)	India	100%	-	Pharmaceutical manufacturing and services

** held through Piramal Dutch Holdings N.V

@ 10% held through PPL and 90% through Piramal Dutch Holdings N.V

(b) Interest in Joint Ventures

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ in Crores)	% of ownership interest	Carrying Amount as at (₹ in Crores)	% of ownership interest
			March 31, 2022		March 31, 2021	
1	Convergence Chemicals Private Limited (Convergence) (till February 24, 2021)	India	-	-	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

Significant judgement: classification of joint venture

Convergence Chemicals Private Limited

Significant judgement : classification of joint venture

Convergence Chemicals Private Limited was a joint venture set up to develop, manufacture and sell speciality fluorochemicals.

The Group owned 51% equity shares of Convergence Chemicals Private Limited till February 24, 2021. The contractual arrangement stated that PPL and the other shareholder shall nominate two directors each to the board and for any meeting of the board the quorum shall be two directors provided that one director from each party is present. This gave both the parties a joint control over Convergence Chemicals Private Limited. Convergence Chemicals Private Limited is a Private Limited Company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Accordingly, the legal form of Convergence Chemicals Private Limited and the terms of the contractual arrangement indicated that the arrangement was a Joint Venture.

Effective February 25, 2021, the Group, had acquired the remaining 49% stake held by Navin Flourine International Ltd. in Convergence Chemicals Pvt. Ltd. for a cash consideration of ₹ 65.10 Crore. Post this acquisition, CCPL is now a wholly owned subsidiary of the Company.

(c) Interest in Associates

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ in Crores)	% of ownership interest	Carrying Amount as at (₹ in Crores)	% of ownership interest	Carrying Amount as at (₹ in Crores)	% of ownership interest
			March 31, 2023		March 31, 2022		March 31, 2021	
1	Allergan India Private Limited (Allergan)	India	48.41	49.00%	78.09	49.00%	109.67	49.00%
2	Yapan Bio Private Limited (Yapan) (w.e.f. December 20, 2021)	India	121.71	33.33%	101.73	27.78%	-	-

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

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

Yapan Bio Private Limited is mainly engaged in contract process development and manufacturing of vaccines and biologics/ bio-therapeutics for human clinical trials.

i) Allergan India Private Limited

The Group owns 49% equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly, Allergan India Private Limited has been considered as an Associate.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Significant financial information for associate

Summarised restated statement of assets and liabilities as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Current assets	186.63	214.35	255.70
Non-current assets	48.71	37.63	46.86
Current liabilities	(118.94)	(86.55)	(66.48)
Non-current liabilities	(19.36)	(12.22)	(13.40)
Net Assets	97.04	153.21	222.68

Summarised restated statement of profit and loss for the year / period ended:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Revenue	446.04	414.26	365.35
Profit for the year/period	110.41	124.62	121.23
Other comprehensive income / (loss)	-	-	-
Total comprehensive income	110.41	124.62	121.23
Dividends received	83.79	90.65	124.54

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net assets	97.04	153.21	222.68
Group's share in %	49%	49%	49%
Proportion of the Group's ownership interest	47.55	75.07	109.11
Others	0.86	3.02	0.56
Carrying amount	48.41	78.09	109.67

Contingent liabilities as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Share of associate's contingent liabilities			
- Claims against the company not acknowledged as debt	14.08	7.12	8.84
- Disputed demands for income tax	3.57	1.75	1.75
Total contingent liabilities	17.65	8.87	10.59

ii) Yapan Bio Private Limited (YBPL)

The Group owns 33.33% equity shares of Yapan Bio Private Limited. As per the terms of the contractual agreement with promoters of YBPL, the Group by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The Group only has a right to participate in the policy making processes. Accordingly Yapan Bio Private Limited has been considered as an Associate.

Significant financial information for associate

Summarised restated statement of assets and liabilities as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Current assets	49.14	72.96
Non-current assets	30.49	16.06
Current liabilities	(3.34)	(12.35)
Non-current liabilities	(0.87)	(1.38)
Net Assets	75.42	75.29

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Revenue	13.70	5.80
Profit for the year	0.71	0.16

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Net assets	75.42	75.29
Group's share in %	33.33%	27.78%
Proportion of the Group's ownership interest	25.14	20.92
Goodwill on acquisition	96.57	80.81
Carrying amount	121.71	101.73

Contingent Liability

There are no Contingent liabilities as at March 31, 2023 and March 31, 2022 in Yapan Bio Private Limited.

38 Goodwill

Movement in Goodwill on Consolidation during the year / period:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Opening balance	1,030.50	856.47	835.21
Add: Addition due to acquisition during the year/period (Refer note 63)	7.42	145.06	8.08
Add: Currency translation differences	69.59	28.97	13.18
Closing balance	1,107.51	1,030.50	856.47

The above goodwill relates to acquisition of Hemmo Pharmaceuticals Private Limited of ₹ 145.05 Crore (Previous Year 21-22 ₹ 145.05 Crore, Previous Period 20-21 ₹ Nil), Convergence Chemicals Private Limited of ₹ 8.08 Crore (Previous Year 21-22 ₹ 8.08 Crore, Previous Period 20-21 8.08 Crore), Piramal Phrama Solutions Inc. of ₹ 174.89 Crore (Previous Year 21-22 ₹ 161.32 Crore, Previous Period 20-21 ₹ 155.61), Piramal Healthcare UK Limited of ₹ 41.75 (Previous Year 21-22 ₹ 42.52 Crore, Previous Period 20-21 ₹ 42.27 Crore), Piramal Critical Care Inc.(Minrad International Inc. and Mallinkrodt) of ₹ 667.25 Crore (Previous Year 21-22 ₹ 615.36 Crore, Previous Period 20-21 ₹ 593.58 Crore), Ash Stevens Inc of ₹ 63.07 Crore (Previous Year 21- 22 ₹ 58.17 Crore, Previous Period 20-21 ₹ 56.93 Crore), Pharma business of Piramal Enterprises Limited (demerged undertaking as defined in the scheme) of ₹ 7.42 Crore (Previous Year 21-22 ₹ Nil, Previous Period 20-21 ₹ Nil).

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

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

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

The recoverable amount being fair value was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years or such extended period as considered appropriate were developed using internal forecasts, and a pre-tax discount rate of 10 % to 17 % respectively. (March 31, 2022: 10.77% to 13.80% respectively) (March 31, 2021: 10.88% to 13.50% respectively). The cash flows beyond 5 years have been extrapolated assuming growth rates ranging from 3.4% to 5% (March 31, 2022: 2.87% to 5%) (March 31, 2021: growth rate 5%), depending on the cash generating unit and the country of operations. (Fair Value Hierarchy - Level 3). The management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

Based on the above, no impairment was identified as of March 31, 2023, March 31, 2022 and March 31, 2021 as the recoverable value of the segments exceeded the carrying values.

39 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/ period are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Restated Consolidated Statement of Profit and Loss in the year/ period 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 Consolidated restated statement of assets and liabilities date.

Defined Contribution plans

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

Post-employment benefit plans:

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans.

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

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

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

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.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

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

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

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

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

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Employer's contribution to Regional Provident Fund Office	2.74	5.99	4.39
Employer's contribution to Superannuation Fund	0.27	0.20	0.08
Employer's contribution to Employees' State Insurance	0.60	0.53	0.21
Employer's contribution to Employees' Pension Scheme 1995	6.03	5.21	2.24
Contribution to Pension Fund	50.47	48.33	49.89
401 (k) Plan contribution	41.04	31.00	29.47
Total	101.15	91.26	86.28

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 32 and 34)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2023, March 31, 2022 and March 31, 2021

A. Change in Defined Benefit Obligation

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	Year/ Period ended March 31,			Year/ Period ended March 31,			Year/ Period ended March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Present Value of Defined Benefit Obligation as at beginning of the year/period	54.91	51.37	-	614.18	704.10	-	170.01	12.99	-
Acquired through business combination	5.16	2.04	0.05	-	-	592.66	-	-	-
Interest Cost	3.76	3.46	1.41	11.57	9.56	12.54	16.61	5.23	0.23
Current Service Cost	4.61	4.43	1.06	-	-	-	12.48	10.15	4.72
Contributions from plan participants	-	-	-	-	-	-	19.99	16.81	8.14
Liability Transferred In for employees joined	-	-	46.63	-	-	-	2.99	118.82	-
Benefits Paid	(4.19)	(5.64)	-	(15.14)	(30.44)	(30.20)	(8.94)	(0.88)	-
Return on Plan Assets, Excluding Interest Income	-	-	-	-	-	-	(6.79)	6.89	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	-	-	(0.39)	-	-	-	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	(0.26)	(1.24)	0.22	(220.75)	(60.44)	82.44	-	-	-
Actuarial (Gains)/loss - due to experience adjustments	2.74	0.49	2.39	-	-	-	-	-	(0.10)
Exchange Differences on Foreign Plans	-	-	-	1.85	(8.60)	46.66	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year/ period	66.73	54.91	51.37	391.71	614.18	704.10	206.35	170.01	12.99

B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	Year/ Period ended March 31,			Year/ Period ended March 31,			Year/ Period ended March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Fair Value of Plan Assets as at beginning of the year/period	45.44	47.51	-	890.21	877.25	-	170.01	12.99	-
Interest Income	3.11	3.08	1.41	16.73	11.92	15.73	16.61	5.23	0.23
Acquisition through business combination	5.16	0.66	0.53	-	-	743.06	-	-	-
Contributions from employer	0.06	0.15	-	-	-	-	32.47	26.96	12.86
Assets Transferred In for employees joined	-	-	46.63	-	-	-	2.99	118.82	-
Benefits Paid from the fund	(4.19)	(5.64)	-	(15.14)	(30.44)	(30.20)	(8.94)	(0.88)	-
Return on Plan Assets, Excluding Interest Income	(0.96)	(0.32)	(1.06)	(293.20)	46.85	95.52	(3.05)	6.89	(0.10)
Administration cost	-	-	-	(7.58)	(4.66)	(5.36)	-	-	-
Exchange Differences on Foreign Plans	-	-	-	3.99	(10.71)	58.50	-	-	-
Fair Value of Plan Asset as at the end of the year / period	48.62	45.44	47.51	595.01	890.21	877.25	210.09	170.01	12.99

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

C. Amount recognised in the restated consolidated statement of assets and liabilities

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	As at March 31,			As at March 31,			As at March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Present Value of Defined Benefit Obligation as at the end of the year/period	66.73	54.91	51.37	391.71	614.18	704.10	206.35	170.01	12.99
Fair Value of Plan Assets As at end of the year/period	48.62	45.44	47.51	595.01	890.21	877.25	210.09	170.01	12.99
Funded Status	-	-	-	203.30	276.03	(173.15)	-	-	-
Asset Ceiling	-	-	-	(203.30)	(276.03)	173.15	-	-	-
Effect of currency translations	-	-	-	-	-	-	-	-	-
Net Liability/(Asset)	18.11	9.47	3.86	-	-	-	(3.74)	-	-
Assets Not Recognised In restated consolidated statement of assets and liabilities	-	-	-	-	-	-	3.74	-	-
Net Liability recognised in the Restated Consolidated statement of Assets and Liabilities (Refer Notes 18 and 24)	18.11	9.47	3.86	-	-	-	-	-	-

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	As at March 31,			As at March 31,			As at March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Recognised under:									
Non Current provision (Refer Note 18)	18.11	9.47	3.86	-	-	-	-	-	-
Current provision (Refer Note 24)	-	-	-	-	-	-	-	-	-

Any Gains/Losses on Asset and Surplus of Asset are not recognised in the Restated consolidated statement of asset and liabilities as the same belongs to the Trust and the Company does not have claim over the Trust surplus (if any).

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	Year/ Period ended March 31,			Year/ Period ended March 31,			Year/ Period ended March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Current Service Cost	4.61	4.43	1.06	-	-	-	12.48	10.15	4.72
Net interest Cost	0.65	0.38	-	-	-	-	-	-	-
Total Expenses / (Income) recognised in the Consolidated Statement of Profit And Loss*	5.26	4.81	1.06	-	-	-	12.48	10.15	4.72

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for the Year/Period

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	Year ended March 31,			Year ended March 31,			Year ended March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Actuarial (Gains)/Losses on Obligation For the Period/Year - Due to changes in demographic assumptions	-	-	(0.39)	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Period/Year - Due to changes in financial assumptions	(0.26)	(1.24)	0.22	(220.75)	(60.44)	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Period/Year - Due to experience adjustment	2.74	0.49	2.39	-	-	-	-	-	-
Return on Plan Assets, Excluding Interest Income	0.96	0.32	1.06	300.78	(42.19)	-	-	-	-
Change in Asset Ceiling	-	-	-	(80.03)	102.63	-	-	-	-
Net (Income)/Expense For the year/ period Recognized in OCI	3.44	(0.43)	3.28	-	-	-	-	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

F. Significant Actuarial Assumptions:

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	As at March 31,			As at March 31,			As at March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Discount Rate (per annum)	7.39%	6.05% to 6.84%	6.49% to 6.57%	4.80	1.95	1.40	7.39	6.84	6.49
Salary escalation rate	9.50% p.a. for the next 1 years, 7.00% p.a. for the next 2 years, starting from the 2nd year 6.00% p.a. thereafter, starting from the 4th year	9% to 10% for first 3 years then 6%	9% for first 3 years then 6%	-	-	-	NA	NA	-
Expected Rate of return on Plan Assets (per annum)	7.39%	6.05% to 6.84%	6.49% to 6.57%	3.20%	2.00%	2.00%	8.15%	8.10%	NA

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

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

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

(₹ in Crores)

Particulars	(Funded)		
	Gratuity		
	As at March 31,		
	2023	2022	2021
Opening Net Liability	9.47	3.86	-
Acquisition through business combination	-	1.38	-
Expenses Recognized in Statement of Profit or Loss	5.26	4.81	1.06
Expenses Recognized in OCI	3.44	(0.43)	3.28
Net Liability/(Asset) Transfer In	-	-	46.63
Net asset added on acquisition of subsidiary	-	-	(0.48)
Employer's Contribution	(0.06)	(0.15)	(46.63)
Net Liability/(Asset) Recognized in the restated statement of assets and liabilities	18.11	9.47	3.86

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

H. Category of Assets

(₹ in Crores)

Particulars	(Funded)								
	Gratuity			Pension			Provident Fund		
	Year ended March 31,			Year ended March 31,			Year ended March 31,		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Government of India Assets (Central & State)	22.09	18.05	21.43	-	-	-	107.30	79.76	5.96
Public Sector Unit Bonds	0.19	-	-	-	-	-	3.72	-	-
Debt Instruments	-	-	-	446.25	605.34	596.53	-	-	-
Corporate Bonds	17.54	14.74	17.82	-	-	-	82.20	64.67	4.07
Fixed Deposits under Special Deposit Schemes of Central Government*	3.94	7.23	2.81	-	-	-	-	-	-
Insurance fund*	-	1.08	-	-	-	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	4.82	4.31	4.92	-	-	-	8.05	6.25	0.55
Global Equities	-	-	-	148.75	284.87	280.72	-	-	-
Others*	0.03	0.03	0.53	-	-	-	8.82	19.33	2.41
Total	48.61	45.44	47.51	595.00	890.21	877.25	210.09	170.01	12.99

* Except these, all the other investments are quoted.

I. Other Details

Funded Gratuity

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Number of Active Members	4,565	3,976	3,584
Per Month Salary For Active Members (₹ In crores)	14.74	11.83	10.26
Average Expected Future Service (Years)	7 Years	5 to 8 Years	7 to 8 Years
Projected Benefit Obligation (PBO) (₹ In crores)	66.72	55.44	51.91
Prescribed Contribution For Next Year (12 Months) (₹ In crores)	14.74	20.41	8.76

J. Cash Flow Projection: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2023	Estimated for the year ended March 31, 2022	Estimated for the period ended March 31, 2021
1 st Following Year	9.35	5.67	5.82
2 nd Following Year	5.90	4.45	3.82
3 rd Following Year	7.64	5.45	4.70
4 th Following Year	7.04	6.16	5.08
5 th Following Year	6.99	5.60	5.77
Sum of Years 6 To 10	34.00	27.34	25.70
Sum of Years 11 years and above	38.52	0.72	-

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

Weighted average duration of the defined benefit obligation is 8 years for the current year 2022-23. (Previous Year 21-22: In the range of 7 - 9 years and Previous period 20-21: 8 years)

K. Sensitivity Analysis

(₹ in crores)

Projected Benefit Obligation	Gratuity - Funded		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Impact of +1% Change in Rate of Discounting	(6.06)	(3.00)	(3.43)
Impact of -1% Change in Rate of Discounting	2.76	3.34	3.41
Impact of +1% Change in Rate of Salary Increase	2.71	3.32	3.41
Impact of -1% Change in Rate of Salary Increase	(5.50)	(3.03)	(3.05)
Impact of +1% Change in Rate of Employee Turnover	(1.24)	0.05	(0.05)
Impact of -1% Change in Rate of Employee Turnover	1.27	(0.07)	0.04

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

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

The liability for Long term Service Awards (Non – Funded) as at year end is ₹ 2.96 crores (Previous year 21-22- ₹ 2.83 Crores and Previous period 20-21 - ₹ 2.88 Crores)

The liability for Leave Encashment (Non – Funded) as at year end is ₹ 38.43 Crores (Previous year 21-22: ₹ 32.72 Crores and Previous period 20-21: ₹ 31.74 Crores)

40 Related Party Disclosures

1. List of related parties

A. Holding Company

Piramal Enterprises Limited (PEL) (till March 31, 2022)

B. Fellow Subsidiaries* (Till March 31, 2022)

PHL Fininvest Private Limited

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

Piramal Capital and Housing finance Limited

Piramal Dutch IM Holdco B.V.

PEL-DRG Dutch Holdco B.V

INDIAREIT Investment Management Co. (IIMCO)

Piramal Holdings (Suisse) SA

* where there are transactions during the previous year / period

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

C. Subsidiaries

Refer Note 37 for list of subsidiaries including step down subsidiaries

D. Associates/ Joint ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2023	% 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%	49.00%
Yapan Bio Private Limited (Yapan)	India	33.33%	27.78%	-

E. Other related parties *

Entities controlled by Key Management Personnel*:

Piramal Corporate Services Private Limited (PCSL) (Till March 31, 2022)

Piramal Glass Limited (PGL) (Till March 31, 2022)

Piramal Glass USA Inc. (Till March 31, 2022)

PGP Glass Private Limited (Till March 31, 2022)

**where there are transactions*

F. Employee Benefit Trusts :

Piramal Pharma Limited Employees PF trust (PPFT)

G. Key Management Personnel (KMP)

Mr. Peter De Young

Ms. Nandini Piramal

Mr. Vivek Valsaraj (w.e.f February 9, 2022)

H. Non Executive/Independent Directors

Mr. S. Ramadorai

Mr. Sridhar Gorthi (w.e.f March 30, 2022)

Mr. Jairaj Manohar Purandare

Mr. Neeraj Bharadwaj

Mr. Peter Andrew Stevenson (w.e.f March 30, 2022)

Mr. Rajesh Laddha (upto February 10, 2022)

Ms. Nathalie Leitch (w.e.f. May 24, 2022)

Ms. Vibha Paul Rishi (w.e.f. August 30, 2022)

** where there are transactions during the previous year/ period*

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

2. Details of transactions with related parties

Details of Transactions	Holding Company			Fellow Subsidiaries			Joint Venture			Associates			Other Related Parties			Total		
	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21
Purchase of Goods																		
- Piramal Glass USA Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	1.08	7.09	-	1.08	7.09
- PGL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.65	-	-	4.65
- Convergence Chemicals Private Limited	-	-	-	-	-	-	-	-	116.94	-	-	-	-	-	-	-	-	116.94
- PEL	-	-	49.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49.80
Total	-	-	49.80	-	-	-	-	-	116.94	-	-	-	-	1.08	11.74	-	1.08	178.48
Sale of Goods																		
- Allergan	-	-	-	-	-	-	-	-	-	70.04	66.06	60.22	-	-	-	70.04	66.06	60.22
- PEL	-	925.96	373.27	-	-	-	-	-	-	-	-	-	-	-	-	-	925.96	373.27
Total	-	925.96	373.27	-	-	-	-	-	-	70.04	66.06	60.22	-	-	-	70.04	992.02	433.49
Dividend Income																		
- Allergan	-	-	-	-	-	-	-	-	-	83.79	90.65	124.54	-	-	-	83.79	90.65	124.54
Total	-	-	-	-	-	-	-	-	-	83.79	90.65	124.54	-	-	-	83.79	90.65	124.54
Reimbursement of expenses																		
- PEL	-	82.94	43.70	-	-	-	-	-	-	-	-	-	-	-	-	-	82.94	43.70
- Piramal Glass USA Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-	-	0.04	-
Total	-	82.94	43.70	-	-	-	-	-	-	-	-	-	-	0.04	-	-	82.98	43.70
Receiving of services																		
- PEL	-	56.87	24.90	-	-	-	-	-	-	-	-	-	-	-	-	-	56.87	24.90
Total	-	56.87	24.90	-	-	-	-	-	-	-	-	-	-	-	-	-	56.87	24.90
Rendering of Services																		
- PGP Glass Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	0.05	-
- PHL Fininvest	-	-	-	-	-	0.60	-	-	-	-	-	-	-	-	-	-	0.60	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Details of Transactions	Holding Company			Fellow Subsidiaries			Joint Venture			Associates			Other Related Parties			Total		
	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21
- Piramal Alternatives Private Limited (erstwhile known as Piramal Asset Management Private Limited)	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	-	-	0.13	-
- Piramal Capital and Housing finance Limited	-	-	-	-	0.17	-	-	-	-	-	-	-	-	-	-	-	0.17	-
Total	-	-	-	-	0.90	-	-	-	-	-	-	-	-	-	-	-	0.95	-
Royalty Expense																		
- PCSL	-	-	-	-	-	-	-	-	-	-	-	-	-	43.31	14.04	-	43.31	14.04
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	43.31	14.04	-	43.31	14.04
Rent Income																		
- PHL Fininvest	-	-	-	-	2.53	1.55	-	-	-	-	-	-	-	-	-	-	2.53	1.55
- Piramal Alternatives Private Limited (erstwhile known as Piramal Asset Management Private Limited)	-	-	-	-	0.26	-	-	-	-	-	-	-	-	-	-	-	0.26	-
Total	-	-	-	-	2.79	1.55	-	-	-	-	-	-	-	-	-	-	2.79	1.55
Guarantee Commission Expenses																		
- PEL	-	8.48	5.20	-	-	-	-	-	-	-	-	-	-	-	-	-	8.48	5.20
Total	-	8.48	5.20	-	-	-	-	-	-	-	-	-	-	-	-	-	8.48	5.20
Contribution to Funds																		
- PPFT	-	-	-	-	-	-	-	-	-	-	-	-	32.46	26.97	8.78	32.46	26.97	8.78
Total	-	-	-	-	-	-	-	-	-	-	-	-	32.46	26.97	8.78	32.46	26.97	8.78

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Details of Transactions	Holding Company			Fellow Subsidiaries			Joint Venture			Associates			Other Related Parties			Total		
	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21
Dividend Paid																		
- PEL	-	39.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.94	-
Total	-	39.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.94	-
Finance granted / (repayments) - (including loans and Equity contribution/ Investment in cash or in kind)																		
- Convergence Chemicals Private Limited	-	-	-	-	-	-	-	-	(5.00)	-	-	-	-	-	-	-	-	(5.00)
Total	-	-	-	-	-	-	-	-	(5.00)	-	-	-	-	-	-	-	-	(5.00)
Interest received on loans/investments#																		
- Convergence Chemicals Private Limited	-	-	-	-	-	-	-	-	0.60	-	-	-	-	-	-	-	-	0.60
- PEL-DRG Dutch Holdco B. V	-	-	-	-	-	20.43	-	-	-	-	-	-	-	-	-	-	-	20.43
- IIMCO	-	-	-	-	-	0.82	-	-	-	-	-	-	-	-	-	-	-	0.82
- Piramal Holdings (Suisse) SA	-	-	-	-	-	0.60	-	-	-	-	-	-	-	-	-	-	-	0.60
- PEL	-	-	10.81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.81
- Piramal Dutch IM Holdco B. V.	-	-	-	-	-	1.10	-	-	-	-	-	-	-	-	-	-	-	1.10
Total	-	-	10.81	-	-	22.95	-	-	0.60	-	-	-	-	-	-	-	-	34.36

All the transactions were made on normal commercial terms and conditions and at market rates.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

3. Compensation of key managerial personnel

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Short-term employee benefits (excluding perquisites)	12.10	8.46	1.00
Post-employment benefits	1.10	0.72	0.08
Other long-term benefits	0.22	-	-
Commission and other benefits to non executive / independent directors	2.02	0.72	0.48
Total	15.44	9.90	1.56

4. Balances of related parties

Details of Balances	Holding Company			Fellow Subsidiaries			Associates			Other Related Parties			Total	
	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-22	Mar-21	Mar-23	Mar-21
Trade Receivables														
- PEL	-	341.99	214.88	-	-	-	-	-	-	-	-	-	-	-
- Allergan	-	-	-	-	-	-	11.95	10.15	13.40	-	-	-	11.95	10.15
- PGP Glass Private Limited	-	-	-	-	-	-	-	-	-	-	0.06	-	-	0.06
Total	-	341.99	214.88	-	-	-	11.95	10.15	13.40	-	0.06	-	11.95	352.20
Other receivable from related parties														
- PEL	-	11.99	39.92	-	-	-	-	-	-	-	-	-	-	11.99
- Piramal Capital and Housing finance Limited	-	-	-	-	0.20	-	-	-	-	-	-	-	-	0.20
- Piramal Alternatives Private Limited (erstwhile known as Piramal Asset Management Private Limited)	-	-	-	-	0.43	-	-	-	-	-	-	-	-	0.43
- PHL Fininvest	-	-	-	-	-	0.29	-	-	-	-	-	-	-	-
Total	-	11.99	39.92	-	0.63	0.29	-	-	-	-	-	-	-	12.62
Trade Payables														
- Piramal Glass USA Inc	-	-	-	-	-	-	-	-	-	-	0.67	0.21	-	0.67
- PGL	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06
- PCSL	-	-	-	-	-	-	-	-	-	-	21.51	12.42	-	21.51
- PEL	-	79.81	128.24	-	-	-	-	-	-	-	-	-	-	79.81
Total	-	79.81	128.24	-	-	-	-	-	-	-	22.18	12.69	-	101.99
Consideration payable on account of Business transfer agreement (Refer note 14 & 63(B) (III))														
- PEL	-	-	592.00	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	592.00	-	-	-	-	-	-	-	-	-	-	592.00

(₹ in Crores)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the year and period ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively

3. Transactions with Subsidiaries

Piramal Pharma Limited

(₹ in Crores)

Details of Transaction	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Purchase of Goods			
- Piramal Critical Care Inc.	64.69	17.46	21.60
- Piramal Healthcare Canada Limited	-	-	0.04
- Piramal Healthcare UK Limited	1.88	0.49	(0.09)
- Convergence Chemicals Private Limited	-	0.01	-
Total	66.57	17.96	21.55
Sale of Goods			
- Piramal Healthcare UK Limited	11.18	17.52	15.73
- Piramal Critical Care Inc.	238.88	90.00	103.14
- Piramal Healthcare Canada Limited	1.32	2.22	14.23
- Piramal Critical Care Limited	1.32	3.71	1.90
- Piramal Critical Care BV	25.49	16.07	17.60
- Ash Stevens LLC	5.27	0.95	0.45
- Convergence Chemicals Private Limited	-	0.07	-
- Hemmo Pharmaceuticals Private Limited	-	*	-
Total	283.46	130.54	153.05
Rendering of Services			
- Piramal Healthcare UK Limited	16.48	-	32.18
- Piramal Healthcare Canada Limited	2.11	3.32	-
- Ash Stevens LLC	1.51	5.08	0.01
- Hemmo Pharmaceuticals Private Limited	-	0.04	-
- Piramal Pharma Solutions (Dutch) BV	1.84	-	-
Total	21.94	8.44	32.19
Guarantee Commission Income			
- Piramal Healthcare UK Limited	0.51	0.51	0.47
- Convergence Chemicals Private Limited	-	0.09	-
- Piramal Critical Care Limited	2.27	0.27	0.01
- Piramal Dutch Holdings N.V.	1.21	-	-
- Piramal Critical Care Inc.	3.56	-	-
- Piramal Pharma Inc.	0.69	-	-
- Piramal Pharma Solutions Inc.	0.04	-	-
Total	8.28	0.87	0.48
Receiving of Services			
- Piramal Pharma Inc.	-	-	9.95
- Piramal Healthcare UK Limited	19.77	12.50	13.73
- Piramal Critical Care Inc.	-	1.28	-
- Ash Stevens LLC	49.89	34.41	25.99
- Convergence Chemicals Private Limited	-	0.02	0.08
Total	69.66	48.21	49.75

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Details of Transaction	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Finance granted /(repayments) - Net (including loans and Equity contribution/Investments in cash or in kind)			
- Convergence Chemicals Private Limited	-	-	3.25
- Piramal Dutch Holdings N.V.	-	70.94	598.23
- PEL Pharma Inc (net of repayment of ₹ 76.94 Crores)	112.29	91.41	-
- Piramal Pharma II Private Limited (net of repayment of ₹ 62Crores)	4.80	-	-
- Piramal Pharma II Private Limited (equity infusion/Investments)	34.01	-	-
Total	151.10	162.35	601.48
Interest received on loans/investments#			
- Convergence Chemicals Private Limited	-	1.74	0.17
- Piramal Dutch Holdings N.V.	36.69	24.66	17.59
- PEL Pharma Inc.	12.74	0.16	-
- Hemmo Pharmaceuticals Private Limited	-	1.36	-
- Piramal Pharma II Private Limited	0.63	-	-
Total	50.06	27.92	17.76
Sale of assets			
- Hemmo Pharmaceuticals Private Limited	-	1.41	-
Total	-	1.41	-
Reimbursement of Expenses (Payable / Paid)			
- Ash Stevens LLC	0.20	-	-
- Pel Healthcare LLC	0.08	-	-
- Piramal Critical Care BV	0.07	-	-
- Piramal Critical Care GMBH	0.03	-	-
- Piramal Critical Care Inc.	1.33	-	-
- Piramal Critical Care Italia Spa	0.05	-	-
- Piramal Critical Care Limited	0.11	-	-
- Piramal Critical Care Pty Limited	*	-	-
- Piramal Critical Care South Africa Pty	0.02	-	-
- Piramal Healthcare (Canada) Limited	0.16	-	-
- Piramal Healthcare UK Limited	0.39	-	-
- Piramal Pharma Solutions Inc.	0.12	-	-
Total	2.56	-	-
Guarantees given during the year (including forex fluctuations) (Financial/Performance)#			
- Piramal Pharma Solutions Inc. (performance guarantee)	540.32	-	-
- Piramal Healthcare UK Limited (including performance guarantee of ₹ 64.68 Crores)	64.68	-	438.69
- Piramal Critical Care Inc.	1,996.85	-	-
- Piramal Critical Care Limited ^	1,015.72	-	52.28
- Piramal Dutch Holdings N.V. ^	615.49	-	-
- PEL Pharma Inc. ^	351.71	-	-
Total	4,584.77	-	490.97

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.

* Amounts below rounding off norms adopted by Company

Refer note 40b for terms of funding arrangement

^ Guarantees transferred from PEL during this financial year

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

7. Balances of subsidiaries

Piramal Pharma Limited

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties #			
- Piramal Dutch Holding N.V.	751.05	691.05	606.94
- PEL Pharma Inc.	214.80	91.10	-
- Hemmo Pharmaceuticals Pvt. Ltd.	-	20.99	-
- Convergence Chemicals Private Limited	-	9.50	17.47
- Piramal Pharma II Private Limited	4.80	-	-
Total	970.65	812.64	624.41
Loans to Related Parties - Unsecured (Short term)			
- Piramal Dutch Holding N.V.	34.09	26.33	-
Total	34.09	26.33	-
Other receivable from related party			
- Piramal Healthcare UK Limited	0.39	0.09	0.36
- PEL Healthcare LLC	0.36	-	1.07
- Piramal Healthcare (Canada) Limited	0.16	-	-
- Piramal Critical Care BV	0.07	-	-
- Ash Stevens LLC	0.20	-	-
- Piramal Pharma Solutions Inc.	0.11	-	-
- Piramal Critical Care Deutschland GmbH	0.05	-	-
Total	1.34	0.09	1.43
Trade Receivables			
- Piramal Healthcare UK	36.58	35.52	46.51
- Piramal Critical Care Inc.	27.48	8.65	8.58
- Piramal Critical Care Limited	-	-	22.09
- Piramal Critical Care BV	17.01	0.85	22.08
- Piramal Healthcare (Canada) Limited	0.62	2.63	0.36
- Ash Stevens LLC	6.79	-	-
- Piramal Pharma Solutions (Dutch) BV	1.59	-	-
Total	90.07	47.65	99.62
Advance to Vendor			
- Piramal Critical Care Inc.	-	-	3.80
Total	-	-	3.80
Advance from Customer			
- Piramal Healthcare UK Limited	3.56	-	-
Total	3.56	-	-
Trade Payable			
- Piramal Pharma Inc.	0.20	0.18	0.17
- Piramal Healthcare UK Limited	11.81	5.55	1.28
- Piramal Critical Care Inc.	46.47	19.45	12.32
- Piramal Critical Care BV	-	0.98	-
- Piramal Pharma Solutions Inc.	0.04	0.04	0.04
- Piramal Healthcare Inc.	-	0.02	-
- PEL Pharma Inc.	-	*	-
- Ash Stevens LLC	9.06	6.99	8.21
- Piramal Healthcare (Canada) Limited	0.04	-	-
Total	67.62	33.21	22.02

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Other Payable			
- Piramal Critical Care Inc.	2.28	-	-
Total	2.28	-	-
Guarantee Commission Receivable			
- Piramal Healthcare UK	0.40	0.20	0.31
- Piramal Critical Care Limited	1.03	0.17	0.01
- Convergence Chemicals Private Limited	-	0.01	-
- Piramal Dutch Holding N.V.	0.58	-	-
- Piramal Critical Care Inc.	1.85	-	-
- PEL Pharma Inc.	0.33	-	-
- Piramal Pharma Solutions Inc.	0.04	-	-
Total	4.23	0.38	0.32
Contingent Liabilities			
- Performance Guarantees @			
- Piramal Healthcare UK	519.47	454.79	438.69
- Piramal Pharma Solutions Inc.	540.32	-	-
Total	1,059.79	454.79	438.69
Guarantees Outstanding - Corporate @			
- Piramal Critical Care Inc.	1,996.85	-	-
- Piramal Critical Care Limited	1,069.92	54.20	52.28
- Piramal Dutch Holdings N.V.	615.49	-	-
- PEL Pharma Inc.	351.71	-	-
Total	4,033.98	54.20	52.28

* Amounts below rounding off norms adopted by Company

Refer note 40b for terms of funding arrangement

@ For business purpose

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the year and period ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively

8. Balances within subsidiaries

Ash Stevens LLC

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties #			
- Piramal Pharma Solutions Inc.	20.54	19.74	14.57
- PEL Healthcare LLC	23.84	20.76	-
- PEL Pharma Inc	-	29.70	82.17
Total	44.38	70.20	96.74
Other receivable from related parties			
- PEL Healthcare LLC	-	-	0.01
Total	-	-	0.01
Trade Receivables			
- Piramal Pharma Solutions Inc.	1.94	1.47	1.60
- Piramal Healthcare UK Limited	40.22	27.10	15.71
- PEL Healthcare LLC	1.24	-	3.66
- Piramal Healthcare Canada Limited	5.76	-	-
Total	49.16	28.57	20.97

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Trade Payables			
- Piramal Healthcare Canada Limited	-	0.13	-
- Piramal Pharma Inc	-	-	0.81
- PEL Healthcare LLC	0.26	-	-
Total	0.26	0.13	0.81

Piramal Dutch Holdings NV (Netherlands)

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties #			
- Piramal Critical Care Deutschland GmbH	8.35	7.55	-
- Piramal Healthcare UK Limited	-	0.56	-
- Piramal Healthcare Canada Limited	12.35	-	-
Total	20.70	8.11	-
Advances to Subsidiary			
- Piramal Pharma Japan GK	-	0.06	-
Total	-	0.06	-

Refer note 40b for terms of funding arrangement

Piramal Critical Care BV

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Trade Receivables			
- Piramal Critical Care Italia SPA (Italy)	13.42	32.42	20.17
- Piramal Critical Care Deutschland GmbH	7.15	5.20	15.91
Total	20.57	37.62	36.08
Loan from related parties #			
- Piramal Dutch Holdings NV (Netherlands)	22.05	20.76	26.57
Total	22.05	20.76	26.57
Trade Payables			
- Piramal Critical Care Deutschland GmbH	0.20	3.45	0.35
- Piramal Critical Care Italia SPA (Italy)	0.01	-	-
Total	0.21	3.45	0.35
Interest Accrued But Not Due #			
- Piramal Dutch Holdings NV (Netherlands)	0.94	0.02	1.29
Total	0.94	0.02	1.29

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Critical Care Inc

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties#			
- Piramal Critical Care BV	48.24	51.27	21.93
- Piramal Critical Care Limited (UK)	84.37	22.94	-
- Piramal Critical Care Italia SPA (Italy)	27.69	-	-
- Piramal Pharma Solutions Inc.	24.98	-	-
- Ash Stevens LLC	29.08	-	-
- PEL Healthcare LLC	18.64	-	-
- PEL Pharma Inc	113.29	-	-
Total	346.29	74.21	21.93
Interest Accrued But Not Due #			
- Piramal Critical Care BV	1.46	-	0.19
Total	1.46	-	0.19
Trade Receivables			
- Piramal Critical Care BV	80.47	50.39	43.25
- Piramal Critical Care Limited (UK)	-	-	33.04
- Piramal Pharma Solutions Inc.	0.61	0.04	-
- Ash Stevens LLC	2.62	3.09	0.39
- Piramal Healthcare UK Limited	5.99	-	1.81
- Piramal Healthcare Inc	-	0.08	-
- Piramal Critical Care South Africa	-	-	*
- Piramal Healthcare Canada Limited	0.24	-	-
Total	89.92	53.60	78.49
Trade Payables			
- Piramal Critical Care South Africa	-	0.40	-
- Ash Stevens LLC	2.12	0.11	-
- Piramal Critical Care Limited (UK)	-	-	0.41
- PEL Healthcare LLC	0.36	-	-
Total	2.48	0.51	0.41
Advance to Suppliers			
- Piramal Pharma Inc	-	-	0.64
Total	-	-	0.64

Refer note 40b for terms of funding arrangement

* Amounts below rounding off norms adopted by Company

Piramal Critical Care Limited (UK)

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loan from related parties #			
- Piramal Dutch Holdings NV (Netherlands)	108.85	59.13	32.43
Total	108.85	59.13	32.43
Trade Receivables			
- Piramal Critical Care South Africa	16.35	4.99	31.86
- Piramal Critical Care BV	4.15	1.46	20.31
- Piramal Critical Care Pty Ltd (Australia)	-	4.84	1.29

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
- Piramal Critical Care Italia SPA (Italy)	0.14	0.20	-
- Piramal Critical Care Deutschland GmbH	5.73	0.74	-
Total	26.38	12.23	53.46
Trade Payables			
- Piramal Critical Care BV	15.44	6.79	-
- Piramal Pharma Solutions Inc.	26.25	23.80	23.35
- Piramal Dutch Holdings NV (Netherlands)	82.94	75.20	73.79
- Piramal Healthcare UK Limited	0.15	0.19	1.35
- Piramal Critical Care Pty Ltd (Australia)	-	4.38	-
Total	124.78	110.36	98.49
Interest Accrued But Not Due #			
- Piramal Dutch Holdings NV (Netherlands)	8.13	2.68	0.91
Total	8.13	2.68	0.91

Refer note 40b for terms of funding arrangement

PEL Pharma Inc

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loan to related parties#			
- Piramal Dutch Holdings NV (Netherlands)	27.12	132.60	151.78
- Ash Stevens LLC	44.85	-	-
Total	71.97	132.60	151.78
Trade Payables			
- Piramal Dutch Holdings NV (Netherlands)	-	-	18.50
- Piramal Healthcare Inc	0.02	-	-
Total	0.02	-	18.50
Interest Accrued But Not Due #			
- Piramal Dutch Holdings NV (Netherlands)	0.03	0.03	0.82
- Ash Stevens LLC	0.63	-	-
Total	0.65	0.03	0.82
Loan to related parties#			
- PEL Healthcare LLC	120.98	-	-
Total	120.98	-	-
Interest Accrued But Not Due #			
- PEL Healthcare LLC	6.86	-	-
Total	6.86	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Healthcare Canada Limited

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties #			
- Piramal Pharma Solutions Inc.	179.32	108.34	103.45
- Ash Stevens LLC	8.31	-	-
- PEL Healthcare LLC	26.11		
Total	213.74	108.34	103.45
Trade Receivables			
- Piramal Healthcare UK Limited	0.45	0.38	5.65
- Ash Stevens LLC	2.05	-	0.32
- Piramal Pharma Solutions Inc.	0.18	-	-
- PEL Healthcare LLC	0.91	-	-
Total	3.59	0.38	5.97
Trade Payables			
- Ash Stevens LLC	-	1.71	1.52
Total	-	1.71	1.52

Refer note 40b for terms of funding arrangement

Piramal Healthcare Inc

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties #			
- Piramal Critical Care Inc	-	382.75	374.56
- Piramal Critical Care BV	50.54	46.25	-
- Piramal Critical Care Limited (UK)	142.05	23.01	-
- Piramal Dutch Holdings NV (Netherlands)	92.30	79.42	-
- PEL Pharma Inc	659.93	341.62	223.23
- Piramal Pharma Inc	28.16	26.17	27.67
- Ash Stevens LLC	0.01	-	-
- Piramal Healthcare UK Limited	36.13	-	-
Total	1,009.11	899.22	625.46
Other receivable from related parties			
- Piramal Critical Care Inc	1.02	0.90	0.45
Total	1.02	0.90	0.45
Interest Accrued But Not Due			
- Piramal Pharma Inc	0.98	-	-
Total	0.98	-	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Healthcare UK Limited

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Trade Payables			
- Piramal Pharma Solutions Inc.	-	0.08	-
Total	-	0.08	-
Loan from related Parties#			
- Piramal Dutch Holdings NV (Netherlands)	19.38	51.77	30.64
Total	19.38	51.77	30.64
Interest Accrued But Not Due #			
- Piramal Dutch Holdings NV (Netherlands)	0.26	-	-
Total	0.26	-	-
Trade Receivables			
- Piramal Healthcare Canada Limited	0.45	-	-
- Ash Stevens LLC	2.47	-	-
- Piramal Pharma Solutions Inc.	0.12	-	-
- PEL healthcare LLC	0.34	-	-
Total	3.37	-	-

Piramal Pharma Solutions Inc.

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loan from related Parties#			
- Piramal Dutch Holdings NV (Netherlands)	-	21.24	20.51
- Piramal Healthcare Inc	383.54	348.11	330.32
- PEL Pharma Inc	334.40	241.61	197.96
Total	717.94	610.96	548.79
Other receivable from related parties			
- Piramal Critical Care Inc	-	0.02	-
- PEL Healthcare LLC	2.80	-	0.01
- Piramal Healthcare UK Limited	13.32	-	-
- Piramal Healthcare Canada Limited	0.01	-	-
- Ash Stevens LLC	0.10		
Total	16.23	0.02	0.01
Trade Payables			
- PEL Healthcare LLC	0.09	-	-
Total	0.09	-	-

Refer note 40b for terms of funding arrangement

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Pharma Inc

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Loans to Related Parties #			
- PEL Pharma Inc	29.78	26.31	16.66
Total	29.78	26.31	16.66
Trade Receivables			
- Piramal Pharma Solutions Inc.	10.69	9.86	9.51
- Ash Stevens LLC	0.02	0.02	0.02
- Piramal Healthcare UK Limited	28.37	26.16	25.24
Total	39.08	36.04	34.77
Loan from related parties #			
- Piramal Healthcare Canada Limited	21.54	19.87	19.16
Total	21.54	19.87	19.16
Interest Accrued But Not Due #			
- Piramal Healthcare Canada Limited	4.48	3.14	2.07
Total	4.48	3.14	2.07
Advance to Subsidiary			
- Piramal Pharma Solutions Inc	0.40	0.37	0.36
Total	0.40	0.37	0.36

Convergence Chemicals Private Limited

(₹ in Crores)

Account Balances	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Trade Receivables			
- Piramal Critical Care Inc.	-	-	17.40
Total	-	-	17.40
Advances			
- Piramal Critical Care Inc.	-	0.28	-
Total	-	0.28	-

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the year and period ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively

4. Transactions within subsidiaries

Ash Stevens LLC

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Rendering of Services			
- Piramal Healthcare Canada Limited	11.69	4.41	4.62
- Piramal Healthcare UK Limited	10.86	12.63	14.93
- Piramal Pharma Solutions Inc.	0.84	2.52	-
- PEL Healthcare LLC	-	2.16	-
Total	23.39	21.72	19.55
Interest Received #			
- PEL Healthcare LLC	1.63	1.02	0.01
- PEL Pharma Inc	0.47	4.03	3.97
- Piramal Pharma Solutions Inc.	1.11	0.74	0.70
Total	3.21	5.79	4.68

Piramal Dutch Holdings NV (Netherlands)

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Interest Received #			
- Piramal Critical Care BV	0.86	1.05	1.32
- Piramal Critical Care Deutschland GmbH	0.31	0.11	-
- PEL Pharma Inc	0.50	1.55	0.83
- Piramal Healthcare Canada Limited	0.63	-	-
Total	2.29	2.71	2.15
Rendering of services			
- PEL Pharma Inc	-	-	0.22
Total	-	-	0.22

Piramal Critical Care BV

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Sale of Goods			
- Piramal Critical Care Italia SPA (Italy)	38.86	35.80	34.26
- Piramal Critical Care Deutschland GmbH	20.14	16.53	8.37
Total	59.00	52.33	42.63
Reimbursement of expenses			
- Piramal Critical Care Deutschland GmbH	0.93	-	-
Total	0.93	-	-

Refer note 40b for terms of funding arrangement

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Critical Care Inc

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Purchase of Goods			
- Piramal Critical Care Limited (UK)	-	0.24	4.56
Total	-	0.24	4.56
Sale of Goods			
- Piramal Critical Care BV	104.48	53.84	35.79
- Piramal Critical Care Limited (UK)	-	-	40.18
- Piramal Critical Care Deutschland GmbH	-	-	0.16
Total	104.48	53.84	76.13
Rendering of Service			
- Ash Stevens LLC	4.45	5.13	5.75
- Piramal Critical Care South Africa	-	0.39	0.34
Total	4.45	5.52	6.09
Interest Received #			
- Piramal Critical Care BV	2.53	1.77	0.20
- Piramal Critical Care Limited (UK)	1.37	0.20	-
- Piramal Pharma Inc	1.25	-	-
- Ash Stevens LLC	0.31	-	-
- Piramal Pharma Solutions Inc.	0.32	-	-
- Piramal Critical Care Italia SPA (Italy)	0.84	-	-
- PEL healthcare LLC	0.15	-	-
Total	6.78	1.97	0.20
Receiving of services			
- Piramal Critical Care South Africa	0.43	-	0.16
Total	0.43	-	0.16
Reimbursement of expenses			
- Piramal Pharma Solutions Inc	-	-	0.06
- Ash Stevens LLC	0.41	-	0.07
- PEL healthcare LLC	0.35	-	-
Total	0.76	-	0.13

Refer note 40b for terms of funding arrangement

Piramal Critical Care Limited (UK)

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Purchase of Goods			
- Piramal Critical Care BV	27.36	6.87	0.91
- Piramal Critical Care Pty Ltd (Australia)	1.36	-	-
Total	28.72	6.87	0.91
Sale of Goods			
- Piramal Critical Care South Africa	29.23	5.77	22.74
- Piramal Critical Care BV	0.21	2.05	2.66
- Piramal Critical Care Pty Ltd (Australia)	1.17	2.12	3.05
- Piramal Critical Care Deutschland GmbH	17.83	1.67	4.39
- Piramal Critical Care Italia SPA (Italy)	0.78	0.20	0.06
Total	49.22	11.81	32.90

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Rendering of Services			
- Piramal Critical Care BV	14.28	26.85	25.76
Total	14.28	26.85	25.76
Miscellaneous Income			
- Piramal Critical Care BV	-	-	14.39
Total	-	-	14.39
Receiving of Services			
- Piramal Healthcare UK Limited	-	0.20	0.48
- Piramal Critical Care BV	-	3.56	-
- Piramal Critical Care Pty Ltd (Australia)	-	2.38	1.92
Total	-	6.14	2.40
Other income			
- Piramal Healthcare UK Limited	-	1.93	-
Total	-	1.93	-
Interest on Loan#			
- Piramal Dutch Holdings NV (Netherlands)	5.07	1.78	0.93
Total	5.07	1.78	0.93
Interest Received #			
- Piramal Critical Care South Africa	-	-	0.01
Total	-	-	0.01
Reimbursement of expenses			
- Piramal Dutch Holdings NV (Netherlands)	-	-	74.93
- Piramal Critical Care Italia SPA (Italy)	-	-	0.71
Total	-	-	75.64

Refer note 40b for terms of funding arrangement

PEL Pharma Inc

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Interest Received #			
- PEL Healthcare LLC	5.50	0.71	0.41
Total	5.50	0.71	0.41

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Healthcare Canada Limited

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Sale of Goods			
- Piramal Healthcare UK Limited	11.21	6.12	8.61
Total	11.21	6.12	8.61
Interest received #			
- Piramal Pharma Solutions Inc.	8.27	4.81	5.00
- Ash Stevens LLC	0.65	-	-
- PEL healthcare LLC	1.43	-	-
Total	10.35	4.81	5.00
Reimbursement of expenses			
- Ash Stevens LLC	8.46	1.42	0.61
- Piramal Critical Care Inc.	0.62	-	-
Total	9.08	1.42	0.61
Service Charges Paid			
- Piramal Pharma Inc	-	-	0.03
Total	-	-	0.03

Piramal Healthcare Inc

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Interest Received #			
- Piramal Critical Care Inc	4.67	7.52	5.61
- Piramal Critical Care BV	0.96	0.75	-
- Piramal Critical Care Limited (UK)	5.23	0.27	-
- Piramal Pharma Solutions Inc.	6.01	5.57	5.16
- Piramal Dutch Holdings NV (Netherlands)	6.07	0.73	-
- PEL Pharma Inc	21.29	5.52	4.30
- Piramal Pharma Inc	0.55	0.51	0.43
- Piramal Healthcare UK Limited	0.78	-	-
- Ash Stevens LLC	0.11	-	-
Total	45.67	20.87	15.50

Refer note 40b for terms of funding arrangement

Piramal Healthcare UK Limited

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Sale of Goods			
- Piramal Critical Care BV	-	0.50	-
- Piramal Critical Care Italia SPA (Italy)	-	-	0.01
- Piramal Healthcare Canada Limited	1.88		
- Ash Stevens LLC	2.15		
- Piramal Pharma Solutions Inc.	0.33		
Total	4.36	0.50	0.01
Interest on Loan #			
- Piramal Dutch Holdings NV (Netherlands)	2.16	1.60	1.87
Total	2.16	1.60	1.87

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Piramal Pharma Inc

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Rendering of Services			
- Piramal Pharma Solutions Inc	-	-	0.23
- Ash Stevens LLC	-	-	0.54
- Piramal Healthcare UK Limited	-	-	2.38
- Piramal Healthcare Canada Limited	-	-	0.53
Total	-	-	3.68
Interest Received #			
- PEL Pharma Inc	1.23	0.99	0.81
Total	1.23	0.99	0.81
Interest on Loan #			
- Piramal Healthcare Canada Limited	1.05	0.98	1.05
Total	1.05	0.98	1.05

Refer note 40b for terms of funding arrangement

Piramal Pharma Solutions Inc

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Sale of Service			
- Piramal Healthcare UK Limited	1.30	1.04	-
- PEL healthcare LLC	3.21	0.10	0.01
Total	4.51	1.14	0.01
Purchase of Goods			
- Piramal Healthcare UK Limited	0.37	0.12	-
Total	0.37	0.12	-
Interest on Loan #			
- Piramal Dutch Holdings NV (Netherlands)	0.12	0.01	0.40
- PEL Pharma Inc	15.17	9.70	9.30
- Piramal Healthcare UK Limited	-	-	0.19
Total	15.29	9.71	9.89
Reimbursement of expenses			
- Ash Stevens LLC	1.06	1.89	-
Total	1.06	1.89	-
Service Charges Paid			
- Ash Stevens LLC	-	-	0.81
Total	-	-	0.81

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

PEL healthcare LLC

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Reimbursement of expenses			
- Ash Stevens LLC	0.09	2.35	-
Total	0.09	2.35	-
Sale of Service			
- Ash Stevens LLC	0.25	-	-
- Piramal Critical Care Inc.	0.35	-	-
Total	0.60	-	-

Convergence Chemicals Private Limited

(₹ in Crores)

Nature of transactions	For the year/ period ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Sale of Goods			
- Piramal Critical Care Inc.	-	119.06	116.26
Total	-	119.06	116.26

Refer note 40b for terms of funding arrangement

Terms of Loan with related parties

Details of loans to related parties outstanding as March 31, 2023:

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Pharma Limited	- Piramal Dutch Holdings NV	5.50%	The revolving inter company loan facility amount of 250 Mn USD is granted for 3 years from the date of agreement 1 st Sept 2020 and will be automatically renewed for subsequent period of one year	None	None
- Piramal Pharma Limited	- PEL Pharma Inc	6.00%	The Loan not exceeding 100 Mn USD is granted for period of 36 months from date of agreement 18 th March 2022 and will be automatically renewed for subsequent period of one year	None	None
- Piramal Pharma Limited	- Piramal Pharma II Pvt. Ltd.	8.71%	The Loan not exceeding ₹ 100 Crs is granted for period of 60 months from date of agreement 28 th July 2022	None	None
- Piramal Pharma Inc	- PEL Pharma Inc	5.00%	1 year *	None	None
- Piramal Healthcare Canada Limited	- Piramal Pharma Solutions Inc.	5.00% - 7.00%	1 year *	None	None
- Piramal Healthcare Canada Limited	- Piramal Pharma Inc.	5.00%	1 year *	None	None
- Piramal Healthcare Canada Limited	- Ash Stevens LLC	5.00% - 7.00%	1 year *	None	None

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Healthcare Canada Limited	- PEL Healthcare LLC	7.00%	1 year *	None	None
- Ash Stevens LLC	- PEL Pharma Inc.	5.50%	Receivable on demand	None	None
- Ash Stevens LLC	- Piramal Pharma Solutions Inc.	5.50%	Receivable on demand	None	None
- Ash Stevens LLC	- PEL Healthcare LLC	6.00%	Receivable on demand	None	None
- PEL Pharma Inc.	- Piramal Pharma Solutions Inc.	6.50% - 8.44%	1 year*	None	None
- PEL Pharma Inc.	- PEL Healthcare LLC	6.50% - 8.44%	1 year*	None	None
- PEL Pharma Inc.	- Ash Stevens LLC	8.44%	1 year*	None	None
- PEL Pharma Inc.	- Piramal Dutch Holding NV	8.44%	1 year*	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care BV	2.00%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Pharma Inc.	2.00%	1 year *	None	None
- Piramal Healthcare Inc.	- PEL Pharma Inc	4.00%-8.44%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care Limited	4.00%-8.44%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Healthcare UK Limited	6.47%-8.44%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Pharma Solutions Inc.	2.00%	1 year*	None	None
- Piramal Healthcare Inc.	- Piramal Dutch Holding NV	4.06%-8.44%	1 year*	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care Inc.	2.00%	1 year*	None	None
- Piramal Healthcare Inc.	- Ash Stevens LLC	6.47%	1 year*	None	None
- Piramal Dutch Holding NV	- Piramal Healthcare UK Limited	5.25%	Repayable on demand	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Limited	5.25%	16 th September 2022 and automatically renewed for subsequent periods of one year.	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Limited	5.25%	1 st January 2025 and automatically renewed for subsequent periods of one year.	None	None
- Piramal Dutch Holding NV	- PEL Pharma Inc.	1.00%	1 year with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Deutschland GMBH	4.15%	3 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care BV	4.15%	3 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Pharma Solutions Inc.	1.00%	1 year*	None	None
- Piramal Dutch Holding NV	- Piramal Healthcare Canada Limited	5.50%	1 year*	None	None
- Piramal Critical Care Inc.	- Piramal Critical Care Limited	3.25%-8.44%	5 years	None	None
- Piramal Critical Care Inc.	- Piramal Critical Care BV	3.69%-8.44%	3 years	None	None
- Piramal Critical Care Inc.	- PEL Pharma Inc.	8.44%	5 years with Auto renewal for subsequent 1 Year	None	None

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Critical Care Inc.	- Ash Stevens LLC	8.44%	5 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Critical Care Inc.	- Piramal Pharma Solutions Inc.	8.44%	5 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Critical Care Inc.	- Piramal Critical Care Italia SPA	6.5% - 8.44%	Receivable on demand	None	None
- Piramal Critical Care Inc.	- PEL Healthcare LLC	8.44%	5 years with Auto renewal for subsequent 1 Year	None	None

* The loan agreements will automatically renew for successive 1 year term unless either party serves a 1 month notice.

Details of loans to related parties outstanding as March 31, 2022:

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Healthcare Canada Limited	- Piramal Pharma Solutions Inc.	5.00%	1 year *	None	None
- Piramal Healthcare Canada Limited	- Piramal Pharma Inc.	5.00%	1 year *	None	None
- Ash Stevens LLC	- PEL Pharma Inc.	5.50%	Receivable on demand	None	None
- Ash Stevens LLC	- Piramal Pharma Solutions Inc.	5.50%	Receivable on demand	None	None
- Ash Stevens LLC	- PEL Healthcare LLC	6.00%	Receivable on demand	None	None
- Piramal Pharma Inc	- PEL Pharma Inc	5.00%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care BV	2.00%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Pharma Inc.	2.00%	1 year *	None	None
- Piramal Healthcare Inc.	- PEL Pharma Inc	2.00%-4.00%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care Limited	3.25% - 3.63%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care Inc.	2.00%	1 year *	None	None
- Piramal Critical Care Inc.	- Piramal Critical Care Limited	3.25%	5 years	None	None
- Piramal Critical Care Inc.	- Piramal Critical Care BV	3.69%	3 years	None	None
- Piramal Pharma Limited	- Piramal Dutch Holding NV	4.00%	The revolving inter company loan facility amount of 250 Mn USD is granted for 3 years from the date of agreement 1 st Sept 2020 and will be automatically renewed for subsequent period of one year.	None	None
- Piramal Pharma Limited	- PEL Pharma Inc	6.00%	The Loan not exceeding 100 Mn USD is granted for period of 36 months from date of agreement 18 th March 2022 and will be automatically renewed for subsequent period of one year.	None	None

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Pharma Limited	- Convergence Chemical Private Limited	10.50%	The Loan not exceeding ₹ 50 Crs is granted till 31 st March 2025 (this was transferred from PEL)	None	None
- Piramal Pharma Limited	- Hemmo Pharmaceuticals Pvt. Ltd.	8.00%	The Loan not exceeding ₹ 25 Crs is granted for period of 12 months from date of agreement 1 st July 2021 and will automatically be renewed for successive one year.	None	None
- Piramal Dutch Holding NV	- Piramal Healthcare UK Limited	4.15% -5.25%	Repayable on demand	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Limited	5.25%	16 th September 2022 and automatically renewed for subsequent periods of one year.	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Limited	5.25%	1 st January 2025 and automatically renewed for subsequent periods of one year.	None	None
- Piramal Dutch Holding NV	- PEL Pharma Inc.	1.00%	1 year with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Deutchland GMBH	4.15%	3 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care BV	4.15%	3 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Pharma Solutions Inc.	1.00%	1 year*	None	None
- Piramal Healthcare Inc.	- Piramal Pharma Solutions Inc.	2.00%	1 year*	None	None
- PEL Pharma Inc.	- Piramal Pharma Solutions Inc.	5.50%	1 year*	None	None
- PEL Pharma Inc.	- PEL Healthcare LLC	5.50%	1 year*	None	None
- Piramal Healthcare Inc.	- Piramal Dutch Holding NV	2.00% -3.63%	1 year*	None	None

* The loan agreements will automatically renew for successive 1 year term unless either party serves a 1 month notice.

Details of loans to related parties outstanding as March 31, 2021:

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Healthcare Canada Limited	- Piramal Pharma Solutions Inc.	5.00%	1 year *	None	None
- Piramal Healthcare Canada Limited	- Piramal Pharma Inc.	5.00%	1 year *	None	None
- Piramal Healthcare Canada Limited	- PEL Healthcare LLC	5.00%	1 year *	None	None
- Ash Stevens LLC	- PEL Pharma Inc	5.50%	Receivable on demand	None	None
- Ash Stevens LLC	- Piramal Pharma Solutions Inc.	5.50%	Receivable on demand	None	None
- Ash Stevens LLC	- PEL Healthcare LLC	6.00%	Receivable on demand	None	None
- Piramal Pharma Inc.	- PEL Pharma Inc.	5.00%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Dutch IM Holdco BV	2.00%	1 year *	None	None

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Entity I	Entity II	Rate	Tenure	Security	Restriction, if any
- Piramal Healthcare Inc.	- Piramal Pharma Solutions Inc.	2.00%	1 year *	None	None
- Piramal Critical Care Inc.	- Piramal Critical Care BV	3.69%	3 years	None	None
- Piramal Pharma Limited	- Piramal Dutch Holding NV	4.00%	The revolving inter company loan facility amount of 250 Mn USD is granted for 3 years from the date of agreement 1 st Sept 2020 and will be automatically renewed for subsequent period of one year.	None	None
- Piramal Pharma Limited	- Convergence Chemical Private Limited	10.50%	The Loan not exceeding ₹ 50 Crs is granted till 31 st March 2025 (this was transferred from PEL)	None	None
- Piramal Dutch Holding NV	- PEL Pharma Inc.	1.00%	1 year with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Deutschland GMBH	4.15%	3 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care BV	4.15%	3 years with Auto renewal for subsequent 1 Year	None	None
- Piramal Healthcare Inc.	- Piramal Critical Care Inc.	2.00%	1 year *	None	None
- Piramal Healthcare Inc.	- Piramal Pharma Inc.	2.00%	1 year *	None	None
- Piramal Dutch Holding NV	- Piramal Pharma Solutions Inc.	5.25%	1 year *	None	None
- PEL Pharma Inc.	- Piramal Pharma Solutions Inc.	5.50%	1 year *	None	None
- Piramal Dutch Holding NV	- Piramal Critical Care Limited	5.25%	16 th September 2022 and automatically renewed for subsequent periods of one year.	None	None
- Piramal Dutch Holding NV	- Piramal Holdings (Suisse) SA	5.00%	1 year *	None	None
- Piramal Pharma Limited	- Piramal Enterprises Limited	11% to 11.30%	1 year *	None	None
- Piramal Dutch Holding NV	- India Reit Investment Management Co.	5.00%	1 year *	None	None
- Piramal Critical Care Limited	- PEL DRG Dutch Holdings	5.25%	31 st August 2021	None	None
- Piramal Dutch Holding NV	- Piramal Healthcare UK Limited	6.50%	Repayable on demand	None	None
- Piramal Healthcare Inc.	- PEL Pharma Inc	2.00%-4.00%	1 year *	None	None
- PEL Pharma Inc.	- PEL Healthcare LLC	5.50%	1 year*	None	None
- Piramal Healthcare UK Limited	- Piramal Pharma Solutions Inc.	4.00%	Loan repaid	None	None
- Piramal Critical Care Limited	- Piramal Critical Care South Africa	6.00%	Loan repaid	None	None
- Piramal Healthcare Inc.	- Piramal Dutch Holding NV	2.00%	1 year*	None	None

* The loan agreements will automatically renew for successive 1 year term unless either party serves a 1 month notice.

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for the year ended March 31, 2023

- 41 Property, Plant & Equipment, Brands and Trademarks and Other Financial Assets are mortgaged / hypothecated to the extent of ₹ 4,721.17 Crores (As on March 31, 2022 ₹ 3639.47 Crores and As on March 31, 2021 ₹ 2,789.75 Crores) as a security against long term secured borrowings as at March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

Plant & Equipment, Inventories and Trade receivables are hypothecated as a security to the extent of ₹ 2,117.39 Crores (As on March 31, 2022 ₹ 779.43 Crores and As on March 31, 2021 ₹ 144.21 Crores) against short term secured borrowings as at March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

- 42 Earnings Per Share (EPS) - EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the 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 March 31, 2023	For the year ended March 31, 2022	For the period ended March 31, 2021 [^]
1. Restated Profit attributable to owners of Piramal Pharma Limited (₹ in Crores)	(186.46)	375.96	835.03
2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.)*	1,190,133,338	1,178,885,044	627,619,257
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	1,190,133,338	1,178,885,044	627,619,257
4. Earnings Per Share - Basic attributable to Equity Shareholders (₹) (1/2)	(1.57)	3.19	13.30
5. Earnings Per Share - Diluted attributable to Equity Shareholders (₹) (1/3)	(1.57)	3.19	13.30
6. Face value per share (₹)	10.00	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 IND AS 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.

- 43(a) The Group conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The Group is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients(API).

The Group 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 Group at Mumbai, Ennore and Ahmedabad for the year are as follows;

(₹ in Crores)			
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period ended March 31, 2021
Revenue Expenditure*	153.03	140.06	102.99
Total	153.03	140.06	102.99
Capital Expenditure, Net			
Additions to Property Plant & Equipments	29.20	7.25	11.51
Additions to Intangibles under Development	8.69	8.74	6.91
Total	37.89	15.99	18.42

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

* The amount included in Note 34, under R & D Expenses (Net) does not include ₹ 115.28 Crores. (Previous Year 21-22: ₹ 86.82 Crores and Previous period 20-21: ₹ 79.30 Crores) relating to Ahmedabad location.

Pursuant to business transfer Agreement between Piramal Enterprises Limited (PEL) and the Company, Research and Development units were transferred to the Company, as per terms and condition for recognition of inhouse R&D centre, PEL has informed DSIR for the same.

(b) In addition to the above, R & D Expenses (Net) included under Note 34 “Other Expenses” also includes expenditure incurred by the Group.

44 The Restated Consolidated financial information for the year ended March 31, 2023 includes the financial information for Piramal Dutch Holdings N.V., Piramal Critical Care Pty. Limited, and PEL Pharma Inc based on their respective audited financial statements for the year ended December 31, 2022 and basis management estimates for the balance period. The financial information of Allergan India Private Limited, Piramal Healthcare Pension Trustees Limited, Yapan Bio Private Limited, Piramal Pharma Solutions B.V, Piramal Pharma Japan GK and PEL Healthcare LLC are based on management estimates for the year ended March 31, 2023 as their audited financial statements were unavailable. The combined revenues from operations and loss for all the above companies is ₹ 197.22 crores and ₹ 16.24 crores, respectively, for the year ended March 31, 2023.

45 Capital Management

The Group 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 Group consists of net debt (borrowings as detailed in notes 16 and 21 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

(₹ in Crores)			
Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity	6,773.50	6,696.60	5,605.00
Total Equity	6,773.50	6,696.60	5,605.00
Borrowings - Non Current	3,383.54	2,622.14	2,339.16
Borrowings - Current	2,121.23	1,401.14	571.03
Total Debt	5,504.77	4,023.28	2,910.19
Cash & Cash equivalents	(195.59)	(228.10)	(384.65)
Net Debt	5,309.18	3,795.18	2,525.54
Debt/Equity Ratio	0.78	0.57	0.45

The terms of the secured borrowings contain certain financial covenants primarily requiring the Group and its subsidiaries 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.

During the year, the Group and its two subsidiaries has breached two financial covenants as on the Restated Consolidated financial information date. However, during the year, the Group and its subsidiary has received a waiver from the lender subsequent to the Restated Consolidated financial information date and before the approval of Financial Information.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

46 Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group 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 restated statement of assets and liabilities.

This note explains the sources of risk which the group is exposed to and how the group manages the risk and the impact of hedge accounting in the Financial Information.

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 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 - 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 and investments	The Senior Management assess the recoverability of investments basis and considered these balances good and fully recoverable. Refer note-9 for trade receivables
Credit risk	Cash and cash equivalents, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment 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 Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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 Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
- Undrawn credit lines	95.91	579.35	513.81
	95.91	579.35	513.81

This includes Short Term Borrowings limits including but not limited to Working Capital Demand Loans, Packing Credits, Letter of Credits, etc. where credit rating has been obtained and which can be issued, if required, within a short period of time.

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

(₹ in Crores)

Maturities of Financial Liabilities	As at March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2,407.73	2,529.44	1,268.17	85.20
Trade Payables	1,192.71	-	-	-
Lease Liabilities	36.33	40.15	26.22	127.08
Other Financial Liabilities	232.03	-	-	-
	3,868.80	2,569.59	1,294.38	212.28

(₹ in Crores)

Maturities of Financial Liabilities	As at March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	1,489.37	2,107.04	717.73	22.93
Trade Payables	1,026.35	-	-	-
Lease Liabilities	18.91	32.28	23.24	121.65
Other Financial Liabilities	259.43	-	-	-
	2,794.06	2,139.32	740.97	144.58

(₹ in Crores)

Maturities of Financial Liabilities	As at March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	640.43	1,033.50	1,255.54	379.27
Trade Payables	917.94	-	-	-
Lease Liabilities	37.84	48.29	41.36	115.73
Other Financial Liabilities	722.87	-	-	-
	2,319.08	1,081.79	1,296.90	495.00

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

(₹ in Crores)

Maturities of Financial Assets	As at March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Receivables	1,799.34	-	-	-
Other Financial Assets	92.42	-	-	21.55
	1,891.76	-	-	21.55

(₹ in Crores)

Maturities of Financial Assets	As at March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Receivables	1,785.28	-	-	-
Other Financial Assets	50.85	-	-	95.57
	1,836.13	-	-	95.57

(₹ in Crores)

Maturities of Financial Assets	As at March 31, 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Receivables	1,574.94	-	-	-
Other Financial Assets	112.06	-	-	70.93
	1,687.00	-	-	70.93

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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

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

Commitment as on March 31, 2023

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
Nyca Investment Fund III, LP	Nil	Nil	Nil	Nil

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Commitment as on March 31, 2022

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
Nyca Investment Fund III, LP	Nil	Nil	Nil	Nil

Commitment as on March 31, 2021

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
Nyca Investment Fund III, LP	5.00	3.13	36.56	22.85

b) Interest Rate Risk Management

The Group 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.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	5,325.68	3,580.93	2,564.44
Fixed rate borrowings	179.08	442.37	345.75
Total	5,504.76	4,023.30	2,910.19

The sensitivity analysis below has been determined based on the exposure to interest rates for liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

If interest rates related to overseas borrowings had been 25 basis points higher/lower and all other variables were held constant, and other 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, 2023 would decrease/increase by ₹ 9.55 Crores for Overseas Borrowing and ₹ 15.06 Crores for other borrowings totalling to ₹ 24.29 Crores (Previous year ₹ 15.50 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

c. Foreign Currency Risk Management

The Group is exposed to Currency Risk arising from its trade exposures and Capital receipts / payments denominated, in other than the Functional Currency. The Group has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

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for the year ended March 31, 2023

i) Derivatives outstanding as at the reporting date

	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
i. Hedge of firm commitment and highly probable forecast transactions						
Forward contracts to sell USD / INR	105.50	873.54	140.00	1,083.05	116.00	869.96
Forward contracts to sell USD / JPY	4.05	3,328.09	-	-	-	-
Forward contracts to sell USD / GBP	21.00	17,256.75	-	-	-	-
Forward contracts to sell USD / CAD	32.00	26,296.00	-	-	-	-

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for the year ended March 31, 2023

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

Currencies	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Trade receivables		Trade Payables/ Advances to Supplier	Trade receivables		Trade Payables/ Advances to Supplier	Trade receivables		Trade Payables/ Advances to Supplier
	FC in Millions	₹ in Crores	FC in Millions	FC in Millions	₹ in Crores	FC in Millions	FC in Millions	₹ in Crores	FC in Millions
EUR	12.87	115.21	14.19	14.68	123.64	1.60	18.78	160.90	0.44
USD	88.66	728.55	35.71	84.71	642.09	26.00	84.20	615.60	37.84
GBP	5.21	51.86	3.63	2.22	22.08	0.85	11.71	117.68	5.39
AUD	1.08	6.22	0.00	0.73	4.14	0.00	0.36	2.18	-
CAD	7.45	45.22	(0.00)	7.30	44.15	(0.00)	7.45	43.24	-
SGD	-	-	-	0.08	0.43	0.00	0.15	0.80	-
ZAR	35.40	16.35	0.10	9.73	5.08	-	64.50	31.81	-
HKD	0.59	0.62	-	0.46	0.44	0.03	0.80	0.79	-
IDR	25,370.58	13.91	1,407.40	36,175.29	19.17	12,981.62	29,907.10	14.95	23,933.80
YEN	157.98	9.73	0.13	226.89	14.10	6.07	144.90	9.57	2.19
CZK	46.83	17.79	0.74	45.53	15.66	0.64	27.59	9.05	0.65
INR	-	-	-	-	-	-	-	-	279.44
THB	-	-	0.78	-	-	0.43	-	-	0.77
SEK	-	-	0.03	-	-	0.03	-	-	0.03
AED	-	-	0.07	-	-	0.07	-	-	0.04
CHF	0.13	1.13	0.10	0.09	0.74	0.20	-	-	0.06
									0.51

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Currencies	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Loan from Banks		Current Account Balances	Loan from Banks		Current Account Balances	Loan from Banks		Current Account Balances
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions
USD	10.36	85.12	33.61	276.18	-	33.90	257.05	60.20	17.38
EUR	-	-	(7.03)	(62.85)	1.87	(11.13)	(93.70)	7.56	(11.94)
GBP	-	-	-	-	0.78	-	-	-	-

Currencies	As at March 31, 2023			As at March 31, 2022			As at March 31, 2021		
	Cash & Cash Equivalents		Cash & Cash Equivalents	Cash & Cash Equivalents		Cash & Cash Equivalents	Cash & Cash Equivalents		Cash & Cash Equivalents
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions
USD	(0.16)	(1.36)	(0.22)	(1.67)	6.98	51.06	(0.25)	(2.55)	
GBP	(0.15)	(1.98)	(0.19)	(1.86)					
CHF	0.10	0.93	0.01	0.81					
EUR	2.91	25.84	0.23	1.94	1.43	12.28			
CZK	4.11	1.57	4.47	1.54	4.03	1.32			
ZAR	0.47	0.22	0.24	0.13					
IDR	7,459.29	4.09	1,302.96	0.69					
YEN	85.02	5.24	0.03	0.00					
AUD	-	-	0.00	0.01					

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for the year ended March 31, 2023

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

Currencies	Increase/Decrease	As at March 31, 2023				As at March 31, 2022				As at March 31, 2021		
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (₹ in Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (₹ in Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate
USD	Increase by 5%#	135.86	183.80	4.11	(19.70)	221.62	26.22	3.79	74.06	207.10	106.21	3.66
USD	Decrease by 5%#	135.86	183.80	(4.11)	19.70	221.62	26.22	(3.79)	(74.06)	207.10	106.21	(3.66)
GBP	Increase by 5%#	5.07	6.13	0.50	(0.05)	4.22	1.82	4.97	1.19	14.32	20.61	5.04
GBP	Decrease by 5%#	5.07	6.13	(0.50)	0.05	4.22	1.82	(4.97)	(1.19)	14.32	20.61	(5.04)
EUR	Increase by 5%#	14.76	21.77	0.41	(0.28)	14.91	14.60	4.21	0.13	10.77	11.22	4.29
EUR	Decrease by 5%#	14.76	21.77	(0.41)	0.28	14.91	14.60	(4.21)	(0.13)	10.77	11.22	(4.29)
CHF	Increase by 5%#	0.23	0.10	0.45	0.01	0.10	0.20	4.10	(0.04)	-	4.79	3.88
CHF	Decrease by 5%#	0.23	0.10	(0.45)	(0.01)	0.10	0.20	(4.10)	0.04	-	4.79	(3.88)
CAD	Increase by 5%#	7.45	(0.00)	0.30	0.23	7.30	(0.00)	0.30	0.22	7.45	0.00	0.06
CAD	Decrease by 5%#	7.45	(0.00)	(0.30)	(0.23)	7.30	(0.00)	(0.30)	(0.22)	7.45	0.00	(0.06)

Holding all the variables constant

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d. Accounting for cash flow hedge

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

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

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

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

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

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.

- i. The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the period ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively:

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

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The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods/ years presented:

As at March 31, 2023

(In Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	10.50 (USD)	-	0.97	(77.14)	-	Not applicable	61.36	Revenue

As at March 31, 2022

(In Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	13.00 (USD)	6.26	-	0.53	-	Not applicable	5.68	Revenue

As at March 31, 2021

(In Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge 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

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

	As at March 31, 2023				As at March 31, 2022				As at March 31, 2021			
	Total	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years
Foreign currency risk:												
Forward exchange contracts	10.50 (USD)	10.50 (USD)	-	-	13.00 (USD)	13.00 (USD)	-	-	11.30 (USD)	11.30 (USD)	-	-
Average INR:USD forward contract rate	83.11	83.11	-	-	77.87	77.87	-	-	77.11	77.11	-	-

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for the year ended March 31, 2023

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

(₹ in Crs)

Movement in Cash flow hedge reserve for the years ended	As at March 31, 2023
Balance as at March 04, 2020	-
Effective portion of changes in fair value:	
Foreign exchange forward contracts	13.77
Tax on movements on reserves during the period	(3.30)
Contracts novated from Piramal Enterprises Limited	(5.53)
Tax on movements on reserves during the period	1.23
Foreign exchange forward contracts	(0.44)
Tax on movements on reserves during the period	0.15
Closing balance as at March 31, 2021	5.88
Foreign exchange forward contracts	0.71
Tax on movements on reserves during the year	(0.18)
Foreign exchange forward contracts	7.68
Tax on movements on reserves during the year	(2.00)
Closing balance as at March 31, 2022	12.09
Effective portion of changes in fair value:	
Foreign exchange forward contracts	(103.09)
Tax on movements on reserves during the year	25.95
Foreign exchange forward contracts	82.34
Tax on movements on reserves during the year	(20.65)
Closing balance as at March 31, 2023	(3.36)

47 Movement in Provisions :

(₹ in Crores)

Particulars	Onerous Contracts		
	As at		
	March 31, 2023	March 31, 2022	March 31, 2021
Balances as at the beginning of the year	0.08	0.08	0.10
Amount used	-	-	(0.03)
Revaluation of closing balances	0.01	*	0.01
Balances as at the end of the year	0.09	0.08	0.08
Classified as Non-current (Refer note 18)	0.09	0.08	0.08
Total	0.09	0.08	0.08

*below rounding off norms adopted by the group

Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

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48 Below table provides the geographical information in term of Ind AS 108:

Geographical Segments

Particulars	Within India			Outside India			Total		
	March	March	March	March	March	March	March	March	March
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Revenue from operations	1,444.49	1,225.55	882.66	5,637.06	5,333.55	5,432.24	7,081.55	6,559.10	6,314.90
Carrying amount of Non current Assets*	3,170.92	2,855.12	1,956.00	5,903.37	5,249.59	4,842.59	9,074.29	8,104.71	6,798.59

* Other than Financial assets, deferred tax assets and Net Advance Tax Paid.

No customer contributed more than 10% of the total revenue of the Group (There was 1 customer for the year ended / period ended March 22 and March 21)

49 Income taxes relating to operations

a. Tax expense recognised in statement of profit and loss

	(₹ in Crores)		
	Year Ended March 31, 2023	Year Ended March 31, 2022	Period Ended March 31, 2021
Current tax			
In respect of the current year	97.94	191.13	116.34
In respect of prior years	12.46	-	
	110.40	191.13	116.34
Deferred tax			
Deferred Tax, net	(44.09)	(82.11)	(2.32)
	(44.09)	(82.11)	(2.32)
Total tax expense recognised	66.31	109.02	114.02

b. Tax (expense)/ benefits recognised in other comprehensive income

	(₹ in Crores)		
	Year Ended March 31, 2023	Year Ended March 31, 2022	Period Ended March 31, 2021
Deferred tax			
Arising on income and expenses recognised in other comprehensive income:			
Exchange loss on long term loans transferred to OCI	(16.28)	(5.38)	1.60
Fair value remeasurement of hedging instruments entered into for cash flow hedges	5.30	(2.18)	(1.93)
Remeasurement of defined benefit obligation	0.87	(0.07)	0.82
Total tax expense recognised	(10.11)	(7.63)	0.49

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for the year ended March 31, 2023

c. Deferred tax balances

	(₹ in Crores)		
	Year Ended March 31, 2023	Year Ended March 31, 2022	Period Ended March 31, 2021
The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated restated statement of assets and liabilities:			
Deferred tax assets (net)	349.30	297.27	244.12
Deferred tax liabilities (net)	(219.31)	(192.01)	(222.49)
	129.99	105.26	21.63

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of deferred tax during the year ended March 31, 2023

	(₹ in Crores)					
Particulars	Balance as at April 01, 2022	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquired through business combination (Refer note 63A(i))	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Expected Credit Loss on Trade Receivables	0.99	9.94	-	-	-	10.93
Brought forward losses	319.56	27.15	8.72	-	-	355.43
Recognition of lease rent expense	0.22	(6.94)	-	-	(3.72)	(10.44)
Disallowances for items allowed on payment basis	74.64	(0.52)	5.36	-	-	79.48
Unrealised profit margin on inventory	7.17	4.55	-	-	-	11.72
Property, Plant and Equipment and Intangible assets	(285.81)	(12.22)	(9.43)	-	(9.84)	(317.30)
Remeasurement of defined benefit obligation	0.75	-	-	0.87	-	1.62
Fair value measurement of derivative contracts	(1.76)	(3.41)	-	5.30	-	0.13
Debt EIR Impact	(0.07)	1.12	-	-	-	1.05
Other temporary differences	(10.43)	8.15	(0.35)	-	-	(2.63)
Exchange differences on long term loans designated as net investments transferred to OCI	-	16.28	-	(16.28)	-	-
Total	105.26	44.10	4.30	(10.11)	(13.56)	129.99

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for the year ended March 31, 2023

Movement of deferred tax during the year ended March 31, 2022

(₹ in Crores)

Particulars	Balance as at April 01, 2021	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquired through business combination (Refer note 63A(i))	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Expected Credit Loss on Trade Receivables	0.24	0.75	-	-	-	0.99
Brought forward losses	239.87	69.30	10.39	-	-	319.56
Recognition of lease rent expense	0.07	0.15		-	-	0.22
Disallowances for items allowed on payment basis	15.05	58.20	1.39	-	-	74.64
Unrealised profit margin on inventory	20.65	(13.48)	-	-	-	7.17
Property, Plant and Equipment and Intangible assets	(246.52)	(36.65)	(3.59)	-	0.95	(285.81)
Debt EIR Impact	(0.14)	0.07	-	-	-	(0.07)
Remeasurement of defined benefit obligation	0.82	-	-	(0.07)	-	0.75
Fair value measurement of derivative contracts	(4.30)	4.72	-	(2.18)	-	(1.76)
Other temporary differences	(4.11)	(6.33)	0.01	-	-	(10.43)
Exchange differences on long term loans designated as net investments transferred to OCI	-	5.38	-	(5.38)	-	-
Total	21.63	82.11	8.20	(7.63)	0.95	105.26

Movement of deferred tax during the period March 04, 2020 to March 31, 2021

(₹ in Crores)

Particulars	Balance as at March 04, 2020 (Refer note 63(B)(iii))	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquired through business combination (Refer note 63(B)(ii))	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Expected Credit Loss on Trade Receivables	-	0.24	-	-	-	0.24
Brought forward losses	148.23	77.94	13.70	-	-	239.87
Recognition of lease rent expense	-	0.07	-	-	-	0.07
Disallowances for items allowed on payment basis	-	15.29	(0.24)		-	15.05
Unrealised profit margin on inventory	28.47	(7.82)	-	-	-	20.65
Property, Plant and Equipment and Intangible assets	(159.01)	(72.03)	0.21	-	(15.69)	(246.52)

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for the year ended March 31, 2023

(₹ in Crores)

Particulars	Balance as at March 04, 2020 (Refer note 63(B)(iii))	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquired through business combination (Refer note 63(B)(ii))	Closing balance
Measurement of financial liabilities at amortised cost	-	(0.14)	-	-	-	(0.14)
Remeasurement of defined benefit obligation	-	-	-	0.82	-	0.82
Fair value measurement of derivative contracts	(1.51)	(0.86)	-	(1.93)	-	(4.30)
Other temporary differences	2.62	(8.77)	2.04	-	-	(4.11)
Exchange differences on long term loans designated as net investments transferred to OCI	-	(1.60)	-	1.60	-	-
Total	18.80	2.32	15.71	0.49	(15.69)	21.63

The income tax expense for the year/period can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Consolidated Profit before share of net profit of associates and after exceptional items	(174.48)	425.95	901.81
Less: Profit recognised on account of common control acquisition (Refer note 63(B)(iii))	-	-	(282.02)
Profit before tax	(174.48)	425.95	619.79
Income tax expense calculated at 25.17%	(43.89)	107.21	156.00
Effect of expenses that are not deductible in determining taxable profit	20.25	5.88	9.43
Utilisation of previously unrecognised tax losses	(4.16)	(20.99)	(26.67)
Effect of incomes which are taxed at different rates	5.99	(4.22)	(5.38)
Expense reversed in books, earlier disallowed in tax	(2.01)	-	-
Effect of incomes which are exempt from tax	-	-	6.54
Deferred tax asset created on unrecognised tax losses of previous years	-	(47.94)	(78.10)
Investment Tax credits	(7.89)	-	-
Tax provision for earlier years	-	-	(20.06)
Tax losses for which no deferred income tax is recognised	52.56	58.63	34.08
Temporary differences for which no deferred income tax was recognised	-	6.89	6.13
Unrealised profit margin on inventory on which deferred tax asset is not created	(0.01)	(0.82)	0.22
Effect of prior year provision reversal	(3.10)	-	-
Prior year tax on account of 80M deduction	7.74	-	-
Dividend paid recognised as income in tax books-Refer Note C of SOCIE	13.49	-	-
Effect of deduction from dividend income	-	-	14.37
Dividend from associate adjusted to investment	21.09	-	-
Others	6.25	4.39	17.46
Income tax expense recognised in Restated consolidated statement of profit and loss	66.31	109.02	114.02

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits (after considering the Covid-19 impact) during the period/year in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable income over the period/year in which the deferred income taxes are deductible, the Group believes that it is probable that the Group will realize the benefits of this deferred tax asset. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

In addition to this, during the year, the Group has recognized Deferred Tax Asset of ₹ 30.26 Crores (Previous years ₹ 47.94 Crores and ₹ 78.10 for the period ending March 31, 2021) on unused tax losses, considering profits in the past years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred tax asset amounting to ₹ 189.07 Crores (Previous period ₹ 193.23 crores and ₹ 161.77 crores for the period ending March 31, 2021) as at March 31, 2023 in respect of unused tax losses, temporary differences and tax credits was not recognized by the Group, considering that the Company and its subsidiaries had a history of tax losses for recent year/period. Unrecognized Deferred tax of ₹ 189.07 Crores (Previous period ₹ 193.23 Crores and ₹ 124.66 Crores for the period ending March 31, 2021) as at March 31, 2023 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of ₹ Nil (Previous period ₹ Nil and ₹ 37.11 Crores for the period ending March 31, 2021) as at March 31, 2023 are attributable to carry forward tax losses which expires in various years upto December 31, 2037.

Deferred income taxes are not recognised on the undistributed earnings of subsidiaries, associates where it is expected that the earnings will not be distributed in the foreseeable future or where the tax credit can be availed by the holding company.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

50 (a). Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2023		Share in Profit/ (Loss) for the year ended March 31, 2023		Share in Other Comprehensive Income/ (Loss) for the year ended March 31, 2023		Share in Total Comprehensive Income/(Loss) for the year ended March 31, 2023	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Parent								
Piramal Pharma Limited	77.67%	5,261.21	-37.39%	69.72	-10.25%	(18.02)	-485.03%	51.70
Subsidiaries								
Indian								
Piramal Pharma II Private Limited	0.50%	33.62	0.21%	(0.39)	0.00%	-	3.65%	(0.39)
Foreign								
Piramal Dutch Holdings N.V.	24.61%	1,666.77	40.26%	(75.07)	-40.06%	(70.43)	1365.04%	(145.50)
Piramal Healthcare Inc.	23.82%	1,614.23	-22.70%	42.33	62.02%	109.02	-1419.93%	151.35
Piramal Critical Care, Inc.	18.03%	1,221.53	-148.46%	276.81	44.92%	78.97	-3337.76%	355.78
Piramal Pharma Inc.	0.21%	14.51	0.22%	(0.41)	0.65%	1.15	-6.91%	0.74
PEL Pharma Inc.	-2.13%	(144.49)	20.98%	(39.12)	-27.86%	(48.98)	826.56%	(88.10)
Ash Stevens LLC	10.86%	735.58	-37.51%	69.93	30.20%	53.09	-1154.10%	123.02
Piramal Pharma Solutions Inc.	-10.57%	(716.28)	90.69%	(169.10)	-26.05%	(45.80)	2016.14%	(214.90)
Piramal Critical Care Italia, S.P.A	0.23%	15.78	3.53%	(6.59)	2.23%	3.92	25.04%	(2.67)
Piramal Critical Care Deutschland GmbH	0.06%	3.82	7.33%	(13.67)	0.23%	0.41	124.43%	(13.26)
Piramal Healthcare (UK) Limited	9.60%	650.20	23.30%	(43.45)	7.05%	12.40	291.32%	(31.05)
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	-0.87%	(58.79)	68.59%	(127.88)	1.26%	2.21	1179.03%	(125.67)
Piramal Healthcare (Canada) Limited	11.05%	748.54	-23.37%	43.58	0.94%	1.66	-424.43%	45.24
Piramal Critical Care South Africa (Pty) Ltd	0.14%	9.42	-1.52%	2.83	-0.54%	(0.94)	-17.74%	1.89
Piramal Critical Care B.V.	-0.94%	(63.62)	13.75%	(25.64)	-2.19%	(3.86)	276.76%	(29.50)
Piramal Critical Care Pty. Ltd.	0.04%	2.44	0.11%	(0.20)	-0.05%	(0.08)	2.65%	(0.28)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2023		Share in Profit/ (Loss) for the year ended March 31, 2023		Share in Other Comprehensive Income/ (Loss) for the year ended March 31, 2023		Share in Total Comprehensive Income/(Loss) for the year ended March 31, 2023	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
PEL Healthcare LLC (w.e.f June 26, 2020)	0.30%	20.65	37.71%	(70.31)	3.13%	5.50	607.98%	(64.81)
Piramal Pharma Japan GK (w.e.f November 21, 2021)	0.00%	-	0.07%	(0.12)	-0.22%	(0.38)	4.71%	(0.50)
Piramal Pharma Solutions (Dutch) BV	0.00%	0.06	-0.03%	0.05	0.00%	-	-0.51%	0.05
Piramal Critical Care ΜΟΝΟΙΠΟΣΕΩΣ Ι.Κ.Ε (wef Feb 28, 2023)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	0.71%	48.41	-29.03%	54.13	0.00%	-	-507.82%	54.13
Yapan Bio Private Limited (w.e.f. December 20, 2021)	1.80%	121.71	-0.11%	0.20	0.00%	-	-1.88%	0.20
Consolidation Adjustments	-65.13%	(4,411.79)	93.38%	(174.11)	54.58%	95.96	732.97%	(78.13)
Total	100.00%	6,773.51	100.00%	(186.46)	100.00%	175.80	100.00%	(10.66)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

50 (b). Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2022		Share in Profit for the year ended March 31, 2022		Share in Other Comprehensive Expense for the year ended March 31, 2022		Share in Total Comprehensive Loss for the year ended March 31, 2022	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Parent								
Piramal Pharma Limited	75.67%	5,067.35	91.25%	343.04	6.86%	6.77	73.69%	349.81
Subsidiaries								
Indian								
Convergence Chemicals Private Limited (w.e.f February 25, 2021)	2.18%	146.07	3.85%	14.49	-0.13%	(0.13)	3.03%	14.36
Hemmo Pharmaceuticals Private Limited (w.e.f June 22, 2021)	2.01%	134.49	7.04%	26.47	-0.09%	(0.09)	5.56%	26.38
Foreign								
Piramal Dutch Holdings N.V.	27.06%	1,812.15	-16.13%	(60.63)	-27.61%	(27.26)	-18.52%	(87.89)
Piramal Healthcare Inc.	21.84%	1,462.87	59.65%	224.26	41.81%	41.28	55.94%	265.54
Piramal Critical Care, Inc.	12.93%	865.75	31.73%	119.28	31.37%	30.97	31.65%	150.25
Piramal Pharma Inc.	0.21%	13.77	-0.02%	(0.09)	0.50%	0.49	0.08%	0.40
PEL Pharma Inc.	-0.85%	(56.74)	-6.12%	(23.01)	-20.98%	(20.72)	-9.21%	(43.73)
Ash Stevens LLC	9.15%	612.56	9.70%	36.45	21.27%	21.00	12.10%	57.45
Piramal Pharma Solutions Inc.	-7.49%	(501.27)	-21.42%	(80.52)	-15.98%	(15.78)	-20.29%	(96.30)
Piramal Critical Care Italia, S.P.A	0.28%	18.45	-0.75%	(2.81)	-0.30%	(0.30)	-0.65%	(3.11)
Piramal Critical Care Deutschland GmbH	0.14%	9.22	-2.92%	(10.97)	-0.32%	(0.32)	-2.38%	(11.29)
Piramal Healthcare (UK) Limited	10.17%	681.25	3.84%	14.44	-8.70%	(8.59)	1.23%	5.85
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	1.00%	66.89	-24.74%	(93.00)	3.91%	3.86	-18.78%	(89.14)
Piramal Healthcare (Canada) Limited	10.50%	703.30	19.12%	71.89	27.56%	27.21	20.88%	99.10

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2022		Share in Profit for the year ended March 31, 2022		Share in Other Comprehensive Expense for the year ended March 31, 2022		Share in Total Comprehensive Loss for the year ended March 31, 2022	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Piramal Critical Care South Africa (Pty) Ltd	0.11%	7.54	0.53%	2.00	0.38%	0.38	0.50%	2.38
Piramal Critical Care B.V.	-0.51%	(34.12)	-7.64%	(28.72)	0.92%	0.91	-5.86%	(27.81)
Piramal Critical Care Pty. Ltd.	0.04%	2.71	0.14%	0.52	0.06%	0.06	0.12%	0.58
PEL Healthcare LLC (w.e.f June 26, 2020)	1.27%	85.27	-12.12%	(45.56)	3.93%	3.88	-8.78%	(41.68)
Piramal Pharma Japan GK (w.e.f November 21, 2021)	0.01%	0.50	-0.03%	(0.13)	-0.03%	(0.03)	-0.03%	(0.16)
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	1.17%	78.09	15.71%	59.07	0.00%	-	12.44%	59.07
Yapan Bio Private Limited (w.e.f. December 20, 2021)	1.52%	101.73	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Consolidation Adjustments	-68.41%	(4,581.23)	-50.66%	(190.47)	35.60%	35.15	-32.72%	(155.32)
Total	100.00%	6,696.60	100.00%	375.96	100.00%	98.74	100.00%	474.70

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

50 (c). Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2021		Share in Profit for the year ended March 31, 2021		Share in Other Comprehensive Expense for the year ended March 31, 2021		Share in Total Comprehensive Loss for the year ended March 31, 2021	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Parent								
Piramal Pharma Limited	73.16%	4,100.83	68.44%	571.49	2.59%	3.28	59.77%	574.77
Subsidiaries								
Indian								
Convergence Chemicals Private Limited (w.e.f February 25, 2021)	2.35%	131.78	-0.04%	(0.35)	-0.07%	(0.09)	-0.05%	(0.44)
Foreign								
Piramal Dutch Holdings N.V.	33.90%	1,900.04	-6.12%	(51.14)	-5.01%	(6.34)	-5.98%	(57.48)
Piramal Healthcare Inc.	21.36%	1,197.34	2.73%	22.83	52.37%	66.28	9.27%	89.11
Piramal Critical Care, Inc.	16.07%	900.85	26.77%	223.56	-21.48%	(27.19)	20.42%	196.37
Piramal Pharma Inc.	0.24%	13.37	-0.10%	(0.85)	-0.38%	(0.48)	-0.14%	(1.33)
PEL Pharma Inc.	-0.23%	(13.01)	-2.62%	(21.88)	14.88%	18.83	-0.32%	(3.05)
Ash Stevens LLC	9.90%	554.83	11.92%	99.56	-18.41%	(23.30)	7.93%	76.26
Piramal Pharma Solutions Inc.	-7.22%	(404.51)	-10.06%	(84.04)	9.89%	12.52	-7.44%	(71.52)
Piramal Critical Care Italia, S.P.A	0.38%	21.56	-0.78%	(6.48)	0.35%	0.44	-0.63%	(6.04)
Piramal Critical Care Deutschland GmbH	0.23%	13.08	-1.64%	(13.68)	0.00%	(0.00)	-1.42%	(13.68)
Piramal Healthcare (UK) Limited	12.05%	675.32	4.89%	40.86	41.85%	52.96	9.76%	93.82
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	2.78%	156.04	-8.35%	(69.73)	3.77%	4.77	-6.76%	(64.96)
Piramal Healthcare (Canada) Limited	10.78%	604.19	19.16%	160.03	32.39%	40.99	20.91%	201.02
Piramal Critical Care South Africa (Pty) Ltd	0.09%	5.15	-0.01%	(0.04)	0.27%	0.34	0.03%	0.30
Piramal Critical Care B.V.	-0.11%	(6.30)	-3.55%	(29.61)	0.60%	0.76	-3.00%	(28.85)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2021		Share in Profit for the year ended March 31, 2021		Share in Other Comprehensive Expense for the year ended March 31, 2021		Share in Total Comprehensive Loss for the year ended March 31, 2021	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Piramal Critical Care Pty. Ltd.	0.04%	2.41	-0.01%	(0.07)	0.31%	0.39	0.03%	0.32
PEL Healthcare LLC (w.e.f June 26, 2020)	2.27%	127.30	-0.85%	(7.09)	3.00%	3.79	-0.34%	(3.30)
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	1.96%	109.67	5.09%	42.54	0.00%	-	4.42%	42.54
Consolidation Adjustments	-80.02%	(4,484.94)	-4.90%	(40.88)	-16.91%	(21.40)	-6.48%	(62.28)
Total	100.00%	5,605.00	100.00%	835.03	100.00%	126.55	100.00%	961.58

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

51 Fair Value Measurement

a) Financial Instruments by category:

₹ in Crores

Categories of Financial Instruments:	March 31, 2023		March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Investments in Equity shares	55.99	-	50.34	-	13.00	-
Investments in Mutual funds	412.88	-	37.01	-	-	-
Cash & Bank Balances	-	307.56	-	328.99	-	405.62
Trade Receivables	-	1,799.34	-	1,785.28	-	1,574.94
Other Financial Assets	23.16	90.81	7.48	138.94	17.07	165.92
	492.03	2,197.71	94.83	2,253.21	30.07	2,146.48
Financial liabilities						
Borrowings (including Current Maturities of Long Term Debt)	-	5,504.76	-	4,023.28	-	2,910.19
Lease Liability	-	132.32	-	104.64	-	114.90
Trade Payables	-	1,192.71	-	1,026.35	-	917.94
Other Financial Liabilities	4.94	227.09	-	259.43	-	722.87
	4.94	7,056.88	-	5,413.70	-	4,665.90

The Group 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 information. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Crores

	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Shares	iii	55.99	-	-	55.99	55.99
Investment in Mutual Funds	i	412.88	412.88	-	-	412.88
Other Financial Assets - Current						
Derivative Financial Assets	ii	23.16	-	23.16	-	23.16

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

₹ in Crores

	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Liabilities						
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long -Term Borrowings)	iii	5,504.76	-	-	5,503.93	5,503.93
Measured at FVTPL - Recurring Fair Value Measurements						
Derivative Financial Liability	ii	4.94	-	4.94	-	4.94

₹ in Crores

	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Shares	i	50.34	-	-	50.34	50.34
Investment in Mutual Funds	i	37.01	37.01	-	-	37.01
Other Financial Assets - Current						
Derivative Financial Assets	ii	7.48	-	7.48	-	7.48

₹ in Crores

	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Liabilities						
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long -Term Borrowings)	iii	4,023.28	-	-	4,023.28	4,023.28

₹ in Crores

	March 31, 2021					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Shares	i	13.00	-	-	13.00	13.00
Other Financial Assets						
Derivative Financial Assets	ii	17.07	-	17.07	-	17.07

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

₹ in Crores

	March 31, 2021					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Liabilities						
Measured at amortized cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long -Term Borrowings)	iii	2,910.19	-	-	2,910.19	2,910.19

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Group considers that the carrying amounts recognised in the Restated Consolidated financial information approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, Debentures and Term Loans included in level 3.

Valuation techniques used to determine the fair values:

- This includes mutual funds and equity shared 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 Restated consolidated statement of assets and liabilities 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.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2023, March 31, 2022 and March 31, 2021.

	(₹ in Crores)
	Equity Shares
As at March 04, 2020	9.85
Acquisitions	5.57
Gains/(Losses) recognised in profit or loss	(0.86)
Exchange Fluctuations	(1.56)
As at March 31, 2021	13.00
Acquisitions	15.44
Gains recognised in consolidated profit or loss	21.18
Exchange Fluctuations	0.72
As at March 31, 2022	50.34
Gains recognised in consolidated profit or loss	0.98
Exchange Fluctuation	4.67
As at March 31, 2023	55.99

- d) Management uses its best judgment in estimating the fair value of its financial instruments (including impact on account of Covid-19 wrt previous period March 21). However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

52 Leases

(i) Amounts recognised in the Restated Consolidated Statement of Assets and liabilities

Right-of-use assets

Movement during the year ended March 31, 2023

	(₹ in Crores)						
Category of Asset	Opening as on 1st April, 2022	Acquired on account of demerger*	Additions during 2022-23	Deductions during 2022-23	Amortization for 2022-23	Foreign currency translation impact	Closing as on 31st March, 2023
Building	95.67	5.40	50.41	1.01	30.89	(1.37)	118.22
Leasehold Land	82.00	19.79	2.86	-	2.07	-	102.58
Property, Plant and Equipments	0.85	-	6.79	-	2.77	(0.19)	4.68
Total	178.52	25.19	60.06	1.01	35.73	(1.55)	225.48

Lease liabilities as on March 31, 2023 132.31

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Movement during the year ended March 31, 2022

(₹ in Crores)

Category of Asset	Opening as on 1st April, 2021	Acquired on account of Business Combination @	Additions during 2021-22	Deductions during 2021-22	Amortization for 2021-22	Foreign currency translation impact	Closing as on 31st March, 2022
Building	107.82	-	10.00	0.93	25.68	4.46	95.67
Leasehold Land	21.49	54.09	6.69	-	0.27	-	82.00
Property, Plant and Equipments	0.87	0.50	-	-	0.52	-	0.85
Total	130.18	54.59	16.69	0.93	26.47	4.46	178.52

Lease liabilities as on March 31, 2021 104.64

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2021

(₹ in Crores)

Category of Asset	Balance as at March 04, 2020	Acquisition through Business Combination*	Additions during 2020-21	Deductions for the period	Amortisation for the period	Foreign currency translation impact	Closing as on 31st March, 2021
Building	77.38	16.26	45.63	-	20.00	4.77	124.04
Leasehold Land	5.20	-	0.14	-	0.07	-	5.27
Equipments	0.37	1.03	-	-	0.50	-0.03	0.87
Total	82.95	17.29	45.77	-	20.57	4.74	130.18

Lease liabilities as on March 31, 2021 114.90

*Refer note 63 (A) (I)

@ Refer note 63 (B) (I)

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

The Restated Consolidated statement of profit or loss shows the following amounts relating to leases:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	For the period March 4, 2020 to March 31, 2021
Interest expense on lease liabilities (included in finance cost)	7.15	5.73	5.17
Expense relating to short-term leases (included in Operating Expenses)	16.58	12.52	7.86
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses)	15.52	15.73	20.76

The weighted average incremental borrowing rate applied to lease liabilities ranges between 5% to 8.91% for the current year. (Previous year 21-22: 2.51% to 11.77% and in Previous period ending 20-21: 2.50% to 8.91%)

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1 year	36.33	18.91	37.84
1-3 years	40.15	32.28	48.29
3-5 years	26.22	23.24	41.36
More than 5 years	127.08	121.65	115.73

53 Trade Receivables ageing (#)

As at March 31, 2023

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables:							
Considered Good	1,339.97	434.31	24.45	0.61	-	-	1,799.34
Considered doubtful	-	-	7.10	46.57	8.46	40.05	102.18
Disputed Trade Receivables:							
Considered doubtful	-	1.08	0.16	-	-	-	1.24
Total	1,339.97	435.39	31.71	47.18	8.46	40.05	1,902.76

As at March 31, 2022

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables:							
Considered Good	1,373.57	380.68	33.33	3.12	-	-	1,790.70
Considered doubtful	-	0.05	1.34	7.00	6.41	34.30	49.10
Total	1,373.57	380.73	34.67	10.12	6.41	34.30	1,839.80

As at March 31, 2021

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables:							
Considered Good	1,255.32	290.65	30.25	2.09	0.85	-	1,579.16
Considered doubtful	-	-	1.80	7.49	12.97	20.81	43.07
Disputed Trade Receivables:							
Considered doubtful	-	0.03	-	-	-	-	0.03
Total	1,255.32	290.68	32.05	9.58	13.82	20.81	1,622.26

Where due date has not been specified, ageing has been calculated basis transaction date.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

54 Trade Payable Ageing

As at March 31, 2023

₹ in Crores

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	24.42	7.63	0.22	0.01	0.24	32.52
(ii) Others	192.63	174.52	1.23	1.95	4.01	374.34
Total	217.05	182.15	1.45	1.96	4.25	406.86

As at March 31, 2022

₹ in Crores

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	36.58	12.42	0.21	-	0.24	49.45
(ii) Others	113.08	208.66	0.49	1.28	3.22	326.73
Total	149.66	221.08	0.70	1.28	3.46	376.18

As at March 31, 2021

₹ in Crores

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.12	15.75	0.02	0.24	0.11	28.24
(ii) Others	174.14	87.40	11.85	0.40	2.48	276.27
Total	186.26	103.15	11.87	0.64	2.59	304.51

Accrued expenses amount to ₹ 785.85 Crores as on March 31, 2023 (as on March 31, 2022 - ₹ 650.17 Crores and as on March 31, 2021 - ₹ 613.43 Crores)

55 Capital work in-progress (CWIP)

i. Ageing for Capital work in-progress (CWIP) as at March 31, 2023

₹ in Crores

Capital work in-progress (CWIP)*		Amount in CWIP for a period of				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
a.	Projects in progress	432.26	120.87	19.54	164.40	737.08

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

₹ in Crores

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Ageing for Capital work in-progress (CWIP) as at March 31, 2021

₹ in Crores

Capital work in-progress (CWIP)*		Amount in CWIP for a period of				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
a.	Projects in progress	173.62	58.28	28.84	89.90	350.64

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

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, 2023

₹ in Crores

Capital work in-progress (CWIP)		To be completed in				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
	Projects in progress					
1	Project-0542	46.27	-	-	-	46.27
2	Project-0947	8.03	-	-	-	8.03
3	Project-1114	7.86	-	-	-	7.86
4	Project-0703	2.88	-	-	-	2.88
5	Project-1155	1.63	-	-	-	1.63
6	Project-1359	1.45	-	-	-	1.45
7	Project-1171	1.38	-	-	-	1.38
8	Project-1120	0.83	-	-	-	0.83
9	Project-0550	0.78	-	-	-	0.78
10	Project-0001 & 0002	-	142.76	-	-	142.76

As at March 31, 2022

₹ in Crores

Capital work in-progress (CWIP)		To be completed in				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
	Projects in progress					
1.	Project-0001 & 0002	-	131.68	-	-	131.68
2.	Project-0542	64.11	-	-	-	64.11
3.	Project-0020	19.36	-	-	-	19.36

As at March 31, 2021

₹ in Crores

Capital work in-progress (CWIP)		To be completed in				
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
	Projects in progress					
1.	Project 1	-	-	126.95	-	126.95
2.	Project 2	-	30.44	-	-	30.44

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

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

56 Intangible Assets under Development (IAUD)

i. Ageing for Intangible Assets under Development (IAUD) as at March 31, 2023[^]

₹ in Crores

Assets under Development (IAUD)*	Amount in IAUD for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
a. Projects in progress	79.35	267.50	41.03	116.70	504.58

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

₹ in Crores

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

Ageing for Intangible Assets under Development (IAUD) as at March 31, 2021

₹ in Crores

Assets under Development (IAUD)*	Amount in IAUD for a period of				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
a. Projects in progress	51.00	48.56	46.64	51.99	198.19

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

[^]There are no material projects which are delayed from its original planned cost or time

57 The group and its associates have not been declared as wilful defaulter by any bank or financial institution or any other lender.

58 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:

(₹ in crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2023
Aquamax Hydrosystems Private Ltd	Receivable	*
BA Tec Services Pvt Ltd	Payable	*
EMS Networks Pvt Ltd	Payable	*
Epic Attires Private Limited	Payable	*
Secureplus Allied Private Limited	Payable	0.02
Waaree Retails LLP	Receivable	*
Welink Smo India Private Limited	Payable	*
Winsel Marketing Pvt. Ltd.	Payable	*
DRK Enterprise	Receivable	0.03
Manish Petro Chem Pvt Ltd	Payable	*
Micro Pathology Services P Ltd	Receivable	*
Mommymia Dream World Pvt Ltd	Payable	*
Nitin Polymers Pvt Ltd	Payable	*
Oracle Biotech (India) Private Ltd	Payable	*
Orbit Medi Soution'S Pvt. Ltd.,	Payable	*
Qual Pharma Health Solutions Pvt Lt	Payable	*

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(₹ in crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2023
Rama Comprint Pvt Ltd	Receivable	*
Suguna Poultry Farm Ltd	Payable	*
Suruchi Foods Limited	Payable	*
Transworld Pharma Private Ltd.	Payable	*

(₹ in crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022
Balance with Piramal Pharma Limited		
Central Agency & Services Private Limited	Receivables	0.01
Welink Smo India Private Limited	Payable	*
EMS Networks Pvt Ltd	Payable	*
Secureplus Allied Private Limited	Payable	0.03
Apex Associates Private Limited	Payable	*
Epic Attires Private Limited	Payable	*
Balance with Convergence Chemical Pharma Limited		
Graphite India Limited	Payable	-

(₹ in crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2021
Balance with Piramal Pharma Limited		
Central Agency & Services Private Limited	Receivables	0.02
Office Bazaar Supplies Private Limited	Payable	0.01
Welink Smo India Private Limited	Payable	*
Ems Networks Pvt Ltd	Payable	*
Secureplus Allied Private Limited	Payable	0.03
Apex Associates Private Limited	Payable	*
Epic Attires Private Limited	Payable	*
Aurozon (India) Private Limited	Advance Paid	0.03
Nagadi Consultants Private Limited	Advance Paid	*
Balance with Convergence Chemical Private Limited		
Graphite India Limited	Payable	-

* below rounding off norms adopted by the Group

These are not related parties under Section 2(76) of the Companies Act, 2013

- 59 The Group and its associates have 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.
- 60 The Group and its associates 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).

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

- 61 The Group and its associates have not traded or invested in crypto currency during the year ended March 31, 2023, March 31, 2022 and March 31, 2021.
- 62 The Group and its associates do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

63 Business Combination

Summary of acquisitions during the current year

A. Composite scheme of arrangement

- i. The Composite Scheme of Arrangement between the Piramal Pharma Limited (“the Company”), Piramal Enterprises Limited (‘PEL’), Convergence Chemicals Private Limited (‘CCPL’), Hemmo Pharmaceuticals Private Limited (‘HPPL’), PHL Fininvest Private Limited (‘PFPL’) and their respective shareholders and creditors (‘Scheme’), submitted pursuant to the approval of Board of Directors of the Company at their meeting held on October 7, 2021, was approved by National Company Law Tribunal on August 12, 2022 (“approval date”) with an appointed date of 1st April, 2022 (“appointed date”). Effect of the Scheme has resulted into,
- a) Business combination accounting following the purchase price allocation of assets and liabilities acquired of Demerged Undertaking (as defined in the Scheme) in accordance with Ind-AS 103 ‘Business Combination’, cancellation of 94,72,49,806 (nos.) equity shares of face value of ₹ 10 each issued to PEL and fresh issuance of 95,46,54,800 (nos.) equity shares of face value of ₹ 10 each to the shareholders of PEL, and elimination of intercompany transactions, (including dividend) for the interim period (i.e. from appointed date to approval date). Accordingly, the financial statements for the current year may not be comparable with the Financial Statements for the quarter/previous year.
- b) Amalgamation of CCPL and HPPL, wholly owned subsidiaries, using ‘the pooling of interest method’, as if the amalgamation had occurred on 1st April, 2021 or from the date on which the Group acquired control over these subsidiaries, whichever is later, in line with Appendix-C of Ind-AS 103. Subsequently, the Group received approval on October 19, 2022 for listing application filed with Securities and Exchange Board of India (SEBI), BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

(i) The fair value of assets and liabilities recognised as a result of business combination stated in (a) above are as follows:

Particulars	₹ in Crores
Assets	
Property, Plant and Equipment	73.34
Capital work in progress	3.50
Right of use assets	25.19
Other Non-current Financial Assets	2.65
Inventory	212.91
Trade Receivables	134.46
Other current Financial Assets	55.78
Other current Assets	78.68
Total Assets	586.51
Liabilities	
Trade payable	459.18
Deferred tax liability	13.56
Lease Liability	5.68
Other current financial liabilities	4.59
Other current liabilities	2.78
Non-current Provisions	2.16
Current Provisions	5.05
Total Liabilities	493.00
Net identifiable assets acquired	93.51

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Calculation of goodwill

Particulars	₹ in Crores
Consideration	100.93
Less: Net identifiable assets acquired	93.51
Goodwill	7.42

Credit/Charge to P&L

Cost in relation to merger of pharma division of ₹ 6.96 Crores were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2023 under the head - Exceptional items.

Revenue and profit contribution

It is impracticable to give revenue and profit contribution of pharma division of Piramal Enterprises Limited as it is not tracked separately post demerger.

Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	134.46
Gross contractual amount for trade receivables	134.46
Contractual cash flows not expected to be collected	-

B. Acquisition of Hemmo Pharmaceuticals Private Limited (Hemmo)

On June 22, 2021, the Group 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 ₹ 775 crores and earn-outs linked to achievement of milestones. The Group has completed the purchase price allocation of the assets/liabilities acquired and consequently, measurement period changes have been adjusted to the goodwill. Balance consideration payable is ₹ 89.91 crores. The acquisition will add peptide API development and manufacturing capabilities.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	₹ in Crores
Assets	
Property, Plant and Equipment	36.13
Capital work in progress	0.11
Intangible assets	405.62
Intangible asset under development	197.87
Right of use assets	54.59
Investments	0.11
Other Non-current Assets	0.38
Inventory	26.34
Trade Receivables	20.44
Cash and cash equivalents & bank balances	77.02
Loans	0.40
Other Non-Current Financial Assets	0.44
Other current Assets	20.68
Deferred Tax Assets	0.95
Total Assets	841.08
Liabilities	
Trade payable	63.94
Other Current Liabilities	17.30
Lease Liability	0.06
Other Liabilities	0.03
Non-current Provisions	1.34

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Particulars	₹ in Crores
Current Tax Liabilities	1.57
Current Provisions	0.43
Total Liabilities	84.67
Net identifiable assets acquired	756.41

(b) Calculation of goodwill

Particulars	₹ in Crores
Purchase consideration	901.47
Less: Net identifiable assets acquired	756.41
Goodwill	145.06

Goodwill is attributable to the synergies to arise from the combination of the acquired technical knowhow and the Piramal Group's Global sales and marketing network which will augment the CDMO offering and allow PPL to provide integrated offerings across the pharmaceutical development cycle. Goodwill is not deductible for tax purpose.

(c) Revenue and profit contribution

The revenues and profits contributed to the group for the year ended March 31, 2022 are as follows:

Particulars	₹ in Crores
Revenue	121.62
Profit before tax	35.55

(d) Credit/Charge to P&L

Acquisition costs of ₹ 15.08 Crores were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2022 under the head - Exceptional items.

(e) Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	20.44
Gross contractual amount for trade receivables	20.44
Contractual cash flows not expected to be collected	-

(f) Purchase consideration - cash outflow

Particulars	₹ in Crores
Net outflow of cash - investing activities	790.74

* below r/off norms adopted by group

C. Summary of acquisitions during the previous period

(i) Acquisition of G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC)

The Group, through its wholly owned subsidiary, PEL Pharma Inc, has acquired 100% stake in G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC) in an all cash deal for a total consideration of ₹ 132.29 Crores. Through this, the group has acquired the solid oral dosage drug product manufacturing facility of G&W PA, located in Sellersville, Pennsylvania. The transaction was closed on June 26, 2020.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(a) Details of purchase consideration

Particulars	USD in Million	₹ in Crores
Cash paid	17.50	132.19
Working capital adjustment	0.01	0.10
Total Purchase Consideration	17.51	132.29

(b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ in Crores
Assets		
Property, Plant and Equipment	15.97	120.60
Intangible assets - Computer Software	1.30	9.83
Trade Receivables	1.94	14.62
Cash and cash equivalents	0.12	0.90
Prepaid expenses	0.08	0.60
Total Assets	19.41	146.55
Liabilities		
Trade payable	0.91	6.83
Total Liabilities	0.91	6.83
Net identifiable assets acquired	18.50	139.72

(c) Calculation of goodwill/ (Gain on bargain purchase)

Particulars	USD in Million	₹ in Crores
Consideration transferred	17.51	132.29
Less: Net identifiable assets acquired	18.50	139.72
Gain on bargain purchase	(0.99)	(7.43)

(d) Acquired Receivables

Particulars	USD in Million	₹ in Crores
Fair value of acquired trade receivables	1.94	14.62
Gross contractual amount for trade receivables	1.94	14.62
Contractual cash flows not expected to be collected	-	-

(e) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2021 are as follows:

Particulars	USD in Million	₹ in Crores
Revenue	14.78	109.70
Profit/(Loss) before tax	(0.95)	(7.08)

(f) Acquisition costs charged to P&L

Acquisition costs of ₹ 2.96 Crores (USD 0.40 million) were charged to Consolidated Statement of Profit and Loss for the period ended March 31, 2021 in relation to the acquisition under the head - Other expenses.

(g) Purchase consideration - cash outflow

Particulars	USD in Million	₹ in Crores
Net outflow of cash - investing activities	17.51	132.29

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(ii) Acquisition of Convergence Chemicals Private Limited ('CCPL')

The Company had acquired 51% stake in CCPL from PEL through business transfer agreement entered on October 06, 2020. The Group had accounted the investment using equity accounting method.

On February 24, 2021, The Company has acquired balance 49% stake held by Navin Fluorine International Limited in CCPL for a cash consideration of ₹ 65.10 Crores. Post this acquisition, CCPL is a wholly owned subsidiary of the Company.

(a) Details of purchase consideration

Particulars	₹ in Crores
Consideration for additional stake	65.10
Fair value of previously held interest	67.76
Total Purchase Consideration	132.86

(b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	₹ in Crores
Assets	
Property, Plant & Equipment	164.75
Capital Work in Progress	0.04
Intangible Assets	0.33
Right of use assets	17.29
Other financial assets- non current	0.18
Other non-current assets	0.06
Inventories	15.28
Trade receivables	21.74
Cash and cash equivalents	10.42
Bank balances other than above	3.12
Other Financial Assets- current	0.03
Other current assets	3.25
Total Assets	236.49
Liabilities	
Non- current borrowings	51.50
Lease liability- non current	0.52
Provisions- non current	0.11
Deferred tax liabilities	8.10
Current borrowings	6.14
Trade payables	8.32
Other financial liabilities	22.15
Lease liability- current	0.19
Other Current Liabilities	3.07
Provisions- Current	0.90
Current Tax Liabilities (Net)	3.13
Total Liabilities	104.13
Net identifiable assets acquired	132.36

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

(c) Calculation of goodwill

Particulars	₹ in Crores
Consideration transferred	132.86
Add: Deferred tax liability recognised on Property, plant and equipment	7.58
Less: Net identifiable assets acquired	132.36
Goodwill#	8.08

#Goodwill is not deductible for tax purpose

(d) Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	21.74
Gross contractual amount for trade receivables	21.74
Contractual cash flows not expected to be collected	-

#Goodwill is not deductible for tax purpose

(e) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2021 are as follows:

Particulars	₹ in Crores
Revenue	8.80
Profit/(Loss) before tax	(0.59)

(f) Acquisition costs charged to P&L

Acquisition costs of ₹ * Crores were charged to Consolidated Statement of Profit and Loss for the period ended March 31, 2021 in relation to the acquisition of CCPL under the head - Other expenses.

(g) Purchase consideration - cash outflow

Particulars	₹ in Crores
Outflow of cash to acquire subsidiary	
Total value for 100% stake	132.86
Less : Previously held stake	(67.76)
Net outflow of cash - investing activities	65.10

* below r/off norms adopted by group

(iii) Acquisition of pharmaceutical business from Piramal Enterprises Limited

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 ₹ 3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

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), was 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 had been recognised in Capital Reserve.

Particulars			(₹ in Crores)
Assets			
Non-Current Assets			
- Property, Plant & Equipment		2,304.27	
- Capital Work in Progress		253.84	
- Goodwill		835.21	
- Intangible Assets		2,565.57	
- Intangible Assets Under Development		220.60	
- Right of Use Asset		82.95	6,262.44
Financial Assets:			
- Investments		238.68	
- Loans		24.44	
- Other Financial Assets		13.42	276.54
Deferred tax assets (Net)			177.81
Other Non-Current Assets			32.30
Current Assets			
Inventories		1,091.57	
Financial Assets:			
- Trade Receivables		963.02	
- Cash & Cash equivalents		259.65	
- Bank balances other than mentioned above		0.07	
- Other Financial Assets		9.93	
Other Current Assets		373.36	2,697.60
Total Assets	(I)		9,446.69
Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
- Borrowings		1,439.48	
- Other Financial Liabilities		0.71	
- Lease Liability		74.26	1,514.45
Provisions			62.62
Other Non- Current Liabilities			170.65
Current Liabilities			
Financial Liabilities:			
- Borrowings		1,452.10	
- Trade payables		644.01	
- Other Financial Liabilities		251.53	
- Lease Liability		5.74	
Other Current Liabilities		91.69	
Provisions		12.94	
Current Tax Liabilities (Net)		43.71	2,501.72
Total Liabilities	(II)		4,249.44

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

Particulars			(₹ in Crores)
Reserves taken over			
Net value of Assets and liabilities as on March 04, 2020 (I-II)			5,197.25
Less : Consideration in the form of cash			(4,302.00)
Less : Consideration in the form of Share Capital issued (refer note 14)			(185.00)
Add : Securities Premium issued on shares above adjusted against capital reserve (refer note 15)			174.33
Less: Deferred tax liability on acquisition			(159.01)
Capital reserve on March 4, 2020		(A)	725.57
Less : Cash movement (including profit for the period March 4, 2020 to October 5, 2020 of ₹ 286.57 crores) not taken over		(B)	(326.34)
Amount Credited to Capital Reserve		(A+B)	399.23

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Particulars	(₹ in Crores)		
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period ended March 31, 2021
Miscellaneous Expenses in Note 34 includes Auditors' Remuneration in respect of:			
A) Statutory Auditors:			
a) Audit Fees	1.00	0.90	0.55
b) Other Services	0.63	0.60	0.03
c) Out of Pocket Expenses	*	-	0.02

* below r/off norms adopted by group

65 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

Particulars	(₹ in Crores)		
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period ended March 31, 2021
Principal amount outstanding to suppliers registered under the MSMED act and remaining unpaid as at period/year end	32.52	49.45	28.24
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period/year end.	0.16	0.04	10.09
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year/ period.	207.26	163.56	182.26
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act,			
beyond the appointed day during the period/year.	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond			
the appointed day during the year/ period.	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for Payments already made	4.40	1.62	1.42
The amount of interest accrued and remaining unpaid at the end of accounting year	4.56	5.33	8.76

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

- 66** The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.
- 67** The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period for the companies incorporated in India.
- 68** The companies incorporated in India holds the title deeds of all immovable properties in their name.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

69 The ratios for the year and period ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

S.N.	Particulars	Numerator	Denominator	31st March 2023	31st March 2022	31st March 2021	Variance (March 23 Vs March 22)	Variance (March 22 Vs March 21)
i	Current Ratio	Current Assets	Current Liabilities	1.26	1.34	1.47	-6.2%	-8.5%
ii	Debt Equity Ratio\$	Total Debt	Total Equity	0.81	0.60	0.52	35.3%	15.7%
iii	Debt Service Coverage Ratio *^	Profit before Interest, Tax and Exceptional items	Interest Expense on long term debt+ Principal Repayment of long term Debt	0.24	2.02	0.64	-88.0%	217.5%
iv	Return on Equity ratio	Net Profit after tax	Average Shareholders Equity	-2.8%	6.1%	14.9%	-8.9%	-8.8%
v	Inventory Turnover Ratio	Cost of goods sold	Average inventory	207.27	195.12	235.14	6.2%	-17.0%
vi	Trade Receivables Turnover Ratio	Sales of Products and Services	Average Trade Receivable	93.77	95.36	98.71	-1.7%	-3.4%
vii	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	148.09	139.35	163.18	6.3%	-14.6%
viii	Net capital turnover ratio**	Sales of Products and Services	Working capital excluding borrowings	2.24	2.64	3.63	-15.2%	-27.2%
ix	Net profit ratio	Profit after tax before exceptional items	Revenue from operations	-1.9%	6.1%	13.1%	-8.0%	-7.1%
x	Return on Capital Employed	Earnings Before Interest and Taxes	Capital Employed	2.9%	10.4%	20.8%	-7.6%	-10.4%
xi	Return on Investment #	Income generated from investments	Closing Investment	39.5%	41.8%	101.5%	-2.3%	-59.7%

Notes:

For Variance in Ratios of March 22 Vs March 21

* The variance is due to decrease in profitability and increase in long term debt during the current year.

** The variance is due to increase in net working capital due to increase in trade receivables and inventories and decrease in other financial liabilities during the current year.

The variance is due to lower dividend received during the current period and additional investment made in Japan in current year.

For Variance in Ratios of March 23 Vs March 22

\$The variance is due to increase in total debt during the current year.

^The variance is due to decrease in profitability and increase in long term debt during the current year.

#The Variance is due to decrease in Earnings Before Interest and Taxes and increase in capital employed during the current year.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

70 The Board of Directors of the Company, at their meeting held on October 7, 2021, has inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between the Company, Piramal Enterprises Limited ('PEL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme'). The Scheme inter alia provides for the following:

- (i) the transfer by way of demerger of the Demerged Undertaking (as set out in the Scheme) from the PEL to the Company,
- (ii) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of the Company) into the Company.
- (iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into PEL ('FS Amalgamation').

The Group has filed the scheme with the necessary authorities and accordingly the implementation of the scheme is subject to the necessary approvals, sanctions and consents being obtained.

71 As per MCA notification dated August 05, 2022, the Central Government has notified that Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the companies are required to maintain back up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the companies are required to create back up on servers physically located in India on a daily basis.

The Turbhe Site (a business merged during the year in "Piramal Pharma Limited" (the Company)) is maintaining the books of account in electronic mode. In the interim period, the site was taking a backup on a work day basis instead of daily. To comply with this requirement, the site has started taking daily backup subsequent to the Restated consolidated statement of assets and liabilities date.

Piramal Pharma II Private Limited (a subsidiary of "the Company") is incorporated during the year and is yet to commence any operations. Presently, the books of accounts are maintained in electronic mode. The subsidiary is in the process of implementing an accounting software including the process of complying with the requirement of taking daily backup of books of accounts.

72 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 Group. Further, there are no funds received from any Party(s) (Funding Party) with the understanding that the Group 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.

Notes to the Restated Consolidated financial information

for the year ended March 31, 2023

73 Summary of Restatement Adjustments :-

Statement of restatement adjustments to audited consolidated financial statements

a) Reconciliation between audited equity and restated equity:

(₹ in Crs.)

Particulars	As At		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity as per audited consolidated financial statements	6,773.50	6,696.60	5,605.00
Total Equity as per Restated Consolidated Financial Information	6,773.50	6,696.60	5,605.00

b) Reconciliation between audited Total Comprehensive Income / (Loss) and restated Total Comprehensive Income / (Loss)

(₹ in Crs.)

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Comprehensive Income as per Audited Consolidated Financial Statements	(10.66)	474.70	961.58
Restated Total Comprehensive Income	(10.66)	474.70	961.58

74 The Restated Consolidated financial information has been approved for issue by Company's Board of Directors on July 27, 2023.

Signature to note 1 to 74 of the Restated Consolidated Financial Information.

In terms of our report of even date attached

For and on behalf of the Board of Directors

Nandini Piramal

Chairperson

DIN: 00286092

Place - Mumbai

Date - July 27, 2023

Vivek Valsaraj

Chief Financial Officer

Place - Mumbai

Date - July 27, 2023

Tanya Sanish

Company Secretary

Place - Mumbai

Date - July 27, 2023

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 14(B) of Part B-1 of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As of and for the Financial Year ended March 31, 2023*	As of and for the Financial Year ended March 31, 2022*	As of and for the Financial Period ended March 31, 2021*
Profit/ (loss) for the year/ period (A) (₹ in crore)	(186.46)	375.96	835.03
Weighted average number of equity shares in calculating basic EPS (B)	119,01,33,338	117,88,85,044	62,76,19,257
Weighted average number of equity shares in calculating diluted EPS (C)	119,01,33,338	117,88,85,044	62,76,19,257
Basic earnings per share (in ₹) (D = A/B)	(1.57)	3.19	13.30
Diluted earnings per share (in ₹) (E = A/C)	(1.57)	3.19	13.30
Net Worth (A) (₹ in crore)	5,968.45	6,069.94	5,076.75
Profit/ (loss) for the year/ period (B) (₹ in crore)	(186.46)	375.96	835.03
Return on Net Worth (%) (C = B/A) (%)	(3.12)%	6.19%	16.45%
Net Worth (A) (₹ in crore)	5,968.45	6,069.94	5,076.75
Outstanding number of equity shares at the end of the period (B)	119,33,18,500	118,59,13,506	99,46,02,064
Net Asset Value per Equity Share (in ₹) (C = A/B)	50.02	51.18	51.04
EBITDA (in ₹ crore)	853.35	1,225.46	1,592.07

* Restated

The ratios have been computed as under:

1. Basic and diluted earnings per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
2. Return on Net Worth ratio: Profit/ (loss) for the period attributable to Equity Shareholders divided by the Net Worth of our Company at the end of the year/ period.
3. NAV: Net Worth divided by the outstanding number of equity shares at the end of the period.
4. EBITDA: Aggregate of profit / (loss) after tax, tax expense, finance cost and depreciation and amortisation for the year/ period.
5. Net Worth: Net worth is computed in accordance with Section 2(hh) of SEBI ICDR Regulations. "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Reconciliation of Non-GAAP Measures

Reconciliation of the various Non-GAAP Measures included in this Letter of Offer are given below.

Reconciliation of Net Worth and Return on Net Worth

Particulars	As of and for the Financial Year ended March 31, 2023*	As of and for the Financial Year ended March 31, 2022*	As of and for the Financial Period ended March 31, 2021*
Equity Share capital	1,193.32	1,185.91	994.60
Share warrants	-	-	0.10
Other equity			
- Retained earnings	956.42	1,158.85	832.56
- Securities premium	3,818.71	3,725.18	3,249.49
Net Worth (A) (₹ in crore)#	5,948.45	6,069.94	5,076.75
Profit/ (loss) for the year/ period (B) (₹ in crore)	(186.46)	375.96	835.03
Return on Net Worth (%) (C= B/A) (%)	(3.12)%	6.19%	16.45%

* Restated

"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Net Asset Value per Equity Share

Particulars	As of and for the Financial Year ended March 31, 2023*	As of and for the Financial Year ended March 31, 2022*	As of and for the Financial Period ended March 31, 2021*
Net Worth (A) (₹ in crore)	5,968.45	6,069.94	5,076.75
Outstanding number of equity shares at the end of the period (B)	119,33,18,500	118,59,13,506	99,46,02,064
Net Asset Value per Equity Share (in ₹) (C = A/B)	50.02	51.18	51.04

* Restated

EBITDA

Particulars	As of and for the Financial Year ended March 31, 2023*	As of and for the Financial Year ended March 31, 2022*	As of and for the Financial Period ended March 31, 2021*
Profit/ (loss) before share of net profit of associates and joint ventures, exceptional items and tax (A)	(167.52)	441.03	883.58
Finance cost for the year/ period (B)	344.18	198.25	163.45
Depreciation and amortisation for the year/ period (C)	676.69	586.18	545.04
EBITDA (in ₹ crore) (A+B+C)	853.35	1,225.46	1,592.07

* Restated

Net working capital turnover ratio

Particulars	Financial Year ended March 31, 2023*	Financial Year ended March 31, 2022*	Financial Period ended March 31, 2021*
Sale of products (A) (₹ in crore)	5,933.41	5,576.88	5,369.66
Sale of services (B) (₹ in crore)	1,043.42	853.89	900.62
Total sales (I) [(A)+(B)] (₹ in crore)	6,976.83	6,430.77	6,270.28
Current assets (C) (₹ in crore)	4,835.48	4,067.22	3,648.70
Current liabilities (D) (₹ in crore)	3,843.05	3,033.34	2,490.28
Current borrowings (E) (₹ in crore)	2,121.23	1,401.14	571.03
Working capital (II) [(C)-(D)+(E)] (₹ in crore)	3,113.66	2,435.02	1,729.45
Net working capital turnover ratio (I)/(II)	2.24	2.64	3.63

* Restated

Reconciliation of financial ratios on a consolidated basis

(₹ in crore)				
Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 04, 2020 to March 31, 2021
i	Current Ratio [(A)/(B)]	1.26	1.34	1.47
	Current Assets (A)	4,835.48	4,067.22	3,648.70
	Current Liabilities (B)	3,843.05	3,033.34	2,490.28
ii	Debt Equity Ratio [(A)/(B)]	0.81	0.60	0.52
	Non-Current Borrowing	3,383.54	2,622.14	2,339.16
	Current Borrowing	2,121.23	1,401.14	571.03
	Total Debt (A)	5,504.77	4,023.28	2,910.19
	Equity Share Capital	1,193.32	1,185.91	994.60
	Share warrants	-	-	0.10
	Other Equity	5,580.18	5,510.69	4,610.30
	Total Equity (B)	6,773.50	6,696.60	5,605.00
iii	Debt Service Coverage Ratio [(A)/(B)]	0.24	2.02	0.64
	Profit / (Loss) before exceptional items and tax	(113.19)	500.06	930.82
	Finance Cost	344.18	198.25	163.45
	Profit before Interest, Tax and Exceptional items (A)	230.99	698.31	1,094.27
	Interest expense on long term debt	275.15	107.76	53.77
	Principal repayments of long term debt	680.40	237.95	1,666.00
	Interest Expense on long term debt+ Principal Repayment of long term Debt (B)	955.55	345.71	1,719.77
iv	Return on Equity [(A)/(B)]	-2.77%	6.1%	14.9%
	Net Profit after tax (A)	(186.46)	375.96	835.03
	Opening Total Equity	6,696.60	5,605.00	-
	Closing Total Equity	6,773.50	6,696.60	5,605.00
	Average Shareholders Equity (B)	6,735.05	6,150.80	5,605.00

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 04, 2020 to March 31, 2021
v	Inventory Turnover Ratio (annualised) [(A)/(B)]	207.27	195.12	235.14
	Cost of Materials consumed	1,682.46	1,566.96	1,518.08
	Purchases of stock-in-trade	952.20	829.07	593.77
	Changes in inventories	68.64	55.21	-52.74
	Cost of goods sold (A)	2,703.30	2,451.24	2,059.11
	Opening Inventory	1,388.80	1,232.00	-
	Closing Inventory	1,681.37	1,388.80	1,232.00
	Average inventory (B)	1,535.08	1,310.40	1,232.00
vi	Trade Receivables Turnover Ratio (annualised) [(A)/(B)]	93.77	95.36	98.71
	Sale of goods	5,933.41	5,576.88	5,369.66
	Sale of services	1,043.42	853.89	900.62
	Sales of Products and Services (A)	6,976.83	6,430.77	6,270.28
	Opening trade receivable	1,785.28	1,574.94	-
	Closing trade receivable	1,799.34	1,785.28	1,574.94
	Average Trade Receivable	1,792.31	1,680.11	1,574.94
vii	Trade Payables Turnover Ratio (annualised) [(A)/(B)]	148.09	139.35	163.18
	Purchases of Material Consumed	1782.45	1,717.19	1,616.95
	Purchases of stock-in-trade	952.20	829.07	593.77
	Total Purchases (A)	2,734.65	2,546.26	2,210.72
	Opening Trade Payables	1,026.35	917.94	-
	Closing Trade Payables	1,192.71	1,026.35	917.94
	Average Trade Payables (B)	1,109.53	972.15	917.94
viii	Net capital turnover Ratio [(A)/(B)]	2.24	2.64	3.63
	Sale of goods	5,933.41	5,576.88	5,369.66
	Sale of services	1,043.42	853.89	900.62
	Sales of Products and Services (A)	6,976.83	6,430.77	6,270.28
	Current Assets	4,835.48	4,067.22	3,648.70
	Current Liabilities	3,843.05	3,033.34	2,490.28
	Current Borrowings	2,121.23	1,401.14	571.03
	Working Capital excluding current borrowings (B)	3,113.66	2,435.02	1,729.45
ix	Net profit Ratio [(A)/(B)]	-1.94%	6.08%	13.1%
	Net Profit after tax	(186.46)	375.96	835.03
	ECL	42.05	7.44	12.35
	Exceptional Items	6.96	15.08	(18.23)
	Profit after tax before exceptional items (A)	(137.45)	398.48	829.15
	Revenue from operations (B)	7,081.55	6,559.10	6,314.90
x	Return on Capital Employed [(A)/(D)]	2.89%	10.45%	20.8%
	Profit / (Loss) before exceptional items and tax	(113.19)	500.06	930.82
	Finance Cost	344.18	198.25	163.45
	Profit before Interest, Tax and Exceptional items (A)	230.99	698.31	1,094.27
	Paid up share capital	1,193.32	1,185.91	994.60
	Share warrants	-	-	0.10
	Reserves including securities premium			
	- Retained Earnings	956.42	1,158.85	832.56
	- Securities Premium	3,818.71	3,725.18	3,249.49
	Deferred items			
	- Deferred tax liabilities (net)	219.31	192.01	222.49
	- Deferred tax assets (net)	(349.30)	(297.27)	(244.12)
	Intangible assets	(2,772.57)	(2,806.09)	(2,482.28)
	Intangible Assets Under Development	(565.65)	(499.19)	(227.12)
	Tangible net worth (B)	2,500.24	2,659.40	2,345.72
	Non-Current Borrowing	3,383.54	2,622.14	2,339.16
	Current Borrowing	2,121.23	1,401.14	571.03
	Total Debt (C)	5,504.77	4,023.28	2,910.19
	Capital Employed [D=[(B)+(C)]]	8,005.01	6,682.68	5,255.91
xi	Return on Investment [(A)/(B)]	39.55%	41.82%	101.5%
	Dividend Income on Non-current Equity Instruments in Associates (A)	83.79	90.65	124.54
	Non-Current Investment (B)	211.88	216.76	122.67

Reconciliation of financial ratios on a standalone basis

(₹ in crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the period March 04, 2020 to March 31, 2021
i	Current Ratio [(A)/(B)]	1.20	1.34	1.20
	Current Assets (A)	2,348.68	2,102.14	1,767.50
	Current Liabilities (B)	1,951.29	1,578.54	1,471.67
ii	Debt Equity Ratio [(A)/(B)]	0.31	0.23	0.04
	Non-Current Borrowing	592.34	477.12	-
	Current Borrowing	1,034.94	676.66	165.20
	Total Debt (A)	1,627.28	1,153.78	165.20
	Equity Share Capital	1,193.32	1,185.91	994.60
	Share warrants	-	-	0.10
	Other Equity	4,068.47	3,937.21	3,105.92
	Total Equity (B)	5,261.79	5,123.12	4,100.62
iii	Debt Service Coverage Ratio [(A)/(B)]	1.02	8.21	-
	Profit / (Loss) before exceptional items and tax	130.65	477.41	668.55
	Finance Cost	115.87	57.29	4.71
	Profit before Interest, Tax and Exceptional items (A)	246.52	534.70	673.26
	Interest expense on long term debt	69.13	45.11	-
	Principal repayments of long term debt	173.00	20.00	-
	Interest Expense on long term debt+ Principal Repayment of long term Debt (B)	242.13	65.11	-
iv	Return on Capital Employed [(A)/(D)]	3.6%	8.7%	14.1%
	Profit / (Loss) before exceptional items and tax	130.65	477.41	668.55
	Finance Cost	115.87	57.29	4.71
	Profit before Interest, Tax and Exceptional items (A)	246.52	534.70	673.26
	Paid up share capital	1,193.32	1,185.91	994.60
	Share Warrants	-	-	0.10
	<u>Reserves including securities premium</u>			
	- Retained Earnings	971.79	918.18	569.04
	- Securities Premium	3,818.71	3,725.18	3,249.49
	<u>Deferred items</u>			
	- Deferred tax liabilities (net)	194.15	171.36	170.42
	- Deferred tax assets (net)	-	-	-
	Intangible assets	(645.26)	(694.43)	(321.58)
	Intangible Assets Under Development	(280.07)	(247.69)	(41.66)
	Tangible net worth (B)	5,252.64	5,058.50	4,620.41
	Non-Current Borrowing	592.34	477.12	-
	Current Borrowing	1,034.94	676.66	165.20
	Total Debt (C)	1,627.28	1,153.78	165.20
	Capital Employed [D=[(B)+(C)]]	6,879.92	6,212.28	4,785.61

CAPITALISATION STATEMENT

The following table sets forth the capitalisation statement as of March 31, 2023, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, beginning on pages 18, 170 and 323, respectively.

(in ₹ crore)

Particulars	Pre-Issue as of March 31, 2023 (A)	Estimated proceeds from the Issue (B)	As adjusted for the Issue (C=A+B) ^{##}
Total Borrowings			
Non-current borrowings ^{**}	3,383.54	-	3,383.54
Current borrowings	2,121.23	-	2,121.23
Total Borrowings (I)	5,504.77	-	5,504.77
Total Equity			
Equity Share Capital*	1,193.32	129.63	1,322.95
Other Equity ^{*#}	5,580.18	920.37	6,500.55
Total Equity (II)	6,773.50	1,050.00	7,823.50
Ratio: Total Borrowings (I)/ Total Equity (II)	0.81	-	0.70

* These terms shall carry the meaning as per Schedule III of the Companies Act.

It has not been adjusted for the estimated issue expenses.

Only Equity Share capital and other equity adjusted with gross proceeds received and no adjustment done for other line items.

** **Terms of the Listed NCDs:**

- a. Type of instrument: Secured, rated, listed, redeemable, non-convertible debentures aggregating to ₹100,00,00,000;
- b. Date of allotment: October 3, 2022;
- c. Redemption date: October 3, 2025;
- d. Default interest rate: 2% per annum;
- e. Listing: BSE on October 7, 2022;
- f. Penalty on early redemption: N.A.;
- g. Financial Covenants: Our Company is required to ensure that (a) net debt/ EBITDA shall not exceed 4.50x on a consolidated basis, (b) consolidated net debt/ equity of the Company not to exceed 2.0x on consolidated basis, (c) security cover to be maintained at 1.1x, and (d) debt cover to be maintained at 1.25x on standalone basis;
- h. Events of Defaults: Events of default include, inter alia, (a) misrepresentation of any representation, information or statement, (b) voluntarily commencing proceedings of bankruptcy, winding up, insolvency, (c) exercise of power by any government authority to take over the management of the Company, (d) change in management control in relation to the Company, and (e) Company being included in the wilful defaulter list of the RBI; and
- i. Security: First ranking and pari passu charge by way of hypothecation over the identified intangible and tangible assets of the Company.

For further details in relation to the listed NCDs, see “Financial Statements – Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 16” on page 216.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 170.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 18 and 14, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

The Restated Consolidated Financial Information in this Letter of Offer have been prepared in accordance with (i) Section 26 of Part I of Chapter III of the Companies Act; (ii) the SEBI ICDR Regulations; and (iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. These financial statements may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS and U.S. GAAP. Our Financial Year ends on March 31 of each year. Accordingly, references to "Financial Year 2022" and "Financial Year 2023" are to the 12-month period ended March 31, 2022 and March 31, 2023, respectively. "Financial Period 2021" includes period from March 4, 2020 to March 31, 2021 because our Company was incorporated on March 4, 2020.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "Assessment of global and Indian pharmaceutical market" issued in January, 2023, read with the supplementary report titled "Assessment of global and Indian pharmaceutical market" issued in June, 2023 issued by CRISIL and which has been commissioned by our Company prepared and released by CRISIL appointed by our Company vide engagement letter dated February 14, 2023 and commissioned by us in connection with the Issue. For further information, see "Presentation of Financial Information and Other Information – Market and Industry Data" on page 12.

In terms of Section 2 (41) of Companies Act 2013, "financial year", in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up". Since our Company was incorporated on March 4, 2020, the financial information for the Financial Period 2021 was prepared from March 4, 2020 till March 31, 2021 in accordance with Section 2 (41) of Companies Act 2013. Further, since Financial Period 2021 provides the financial information for approximately 13 months, Financial Year 2022 and Financial Period 2021 may not be directly comparable.

Overview

We are a pharmaceutical company with global operations, providing end-to-end pharma services to customers and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals – (i) Piramal Pharma Solutions ("PPS"), an integrated contract development and manufacturing organization ("CDMO"); (ii) Piramal Critical Care ("PCC"), a complex hospital generics ("CHG") business; and (iii) India consumer healthcare ("ICH") business, selling over-the-counter ("OTC") products. For further details, see, "Our Business", beginning on page 137.

Significant factors affecting our results of operations

Our results of operations and financial condition are subject to various risks and uncertainties, including those discussed in "Risk Factors" beginning on page 18 of this Letter of Offer. Certain important factors that have affected and which may continue to affect our results of operations and financial condition include the following:

1. Competition in the pharmaceutical industry

We operate under three business verticals viz., through an integrated contract development and manufacturing organization, a complex hospital generics business and India consumer healthcare. For details, see "Our Business" beginning on page 137. Each of these verticals face intense competition from products developed by other companies in India and overseas. Our products typically compete on the basis of price, efficacy and general market acceptance. Our business, prospects, results of operations and financial condition could be adversely affected if our competitors gain significant market share at our expense in areas in which we are focused. Our ability to continue to generate revenue from our products is impacted by the launch of competitive products by our competitors. An increased competition in a product market, may lead to reduction in the price we could command for such product which in turn may adversely impact our revenue from operations. Our ability to continue to increase our revenue from operations is dependent on our ability to continue to launch new products and to successfully identify new markets for expansion. Further, our competition may have access to greater financial resources and expertise dedicated towards research and development. If our pharmaceutical products become uncompetitive, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected.

2. *Pharmaceutical regulatory framework in India and global markets*

We operate in a highly regulated sector and we have to comply with extensive regulation in each market we operate to obtain necessary approvals to manufacture, sell and/or market our products. We must ensure that government and other regulatory agencies do not withdraw marketing approvals for sales of our existing products and continue to approve our new products for sale in a timely manner and our manufacturing facilities remain approved by the relevant regulators.

We are governed by various local, regional and national regulatory regimes in various aspects of our operations, including licensing and certification requirements and procedures for manufacturers of pharmaceutical products, operating and safety standards, as well as environmental protection regulations. There can be no assurances that the legal framework, licensing and certification requirements or enforcement trends in our industry will not change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. In addition, we are subject to the risk of adverse changes to favourable policies from which we currently benefit, and the introduction of unfavourable policies.

3. *R&D and innovation efforts and growth of our new products*

Our ability to develop and manufacture products is critical to launch new products and grow revenues. To grow our product portfolio we need to continually invest in research and development to add to our existing offering and improve our technology. Research and development is both time consuming and costly, and involves a high degree of business risk. To develop our product pipeline, we commit substantial time, funds and other resources. In addition, our research staff is critical to the success of our research and development efforts. Our investments in research and development for future products could result in higher expenses without a proportionate increase in revenues.

Our ability to develop and manufacture products is critical to launch new products and grow revenues. Our research and development efforts have resulted in 99 patents filed and held 43 patents worldwide as of March 31, 2023. To grow our product portfolio, we need to continually invest in research and development to add to our existing offering and improve our technology.

4. *Cost of raw materials and third party manufacturing*

Our cost of materials consumed constitutes one of the largest components of our total expenses. In Financial Period 2021, Financial Years 2022 and 2023, our cost of raw material consumed, was ₹1,518.08 crore, ₹1,566.96 crore, and ₹1,682.46 crore, respectively, representing 27.13%, 24.51%, and 22.51%, respectively, of our total expenses. We depend on third-party suppliers for certain of our raw materials and finished products. The key raw materials that we use for our manufacturing operations include APIs for our formulations, key starting materials and intermediaries for our internally manufactured APIs and other chemicals and packaging materials.

As we continue to grow our product portfolio and increase our production capacities, we believe we will benefit from increasing economics of scale. We identify and approve multiple suppliers to source our key raw materials and we place purchase orders with them from time to time. As our business grows, we will also need to procure higher volumes of raw materials. We typically do not enter into long-term supply contracts with any of our suppliers and instead negotiate and place purchase orders with them from time to time. We are thus exposed to fluctuations in availability and prices of our raw materials, including on account of exchange rate fluctuations. While we have not experienced major disruptions in sourcing our raw materials in the past, we may not be able to effectively pass on any significant or unusual price increases in the cost of raw materials to our customers in the future, which may affect our margins, sales, results of operations and cash flows.

5. *Foreign Currency Fluctuations*

Changes in currency exchange rates influence our results of operations. Although we prepare and report our consolidated financial statements in Rupees, significant portions of our income and expenditure are denominated in currencies other than Rupees, most significantly the U.S. Dollar, Euro and British Pound. Any adverse foreign exchange rate movement of the U.S. Dollar, Euro or British Pound or emerging market currencies against the Rupee could affect our profitability.

Significant Accounting Policies

(a) Basis of preparation

The Restated Consolidated Financial Information of Piramal Pharma Limited (the “Company”), and its subsidiaries (collectively, the “Group”) which includes Group’s share of profit in its associates and joint venture, comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, 2022 and 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of changes in equity and the Restated Consolidated Statement of Cash Flows for the year ended March 31, 2023, 2022 and for the period from March 4, 2020 to March 31, 2021, and the Summary of Significant Accounting Policies and other explanatory information (collectively, the “Restated Consolidated Financial Information”), is prepared by the management of the Company for the purpose of inclusion in the Letter of Offer (the “Offer Documents”) to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with its proposed Rights Issue of equity shares of the Company (the “Issue”) prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “Act”);
- b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”); and
- c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended (the “Guidance Note”).

The Restated Consolidated Financial Information comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

These Restated Consolidated Financial Information have been compiled by the Management from the audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023, 2022 and as at and for the period from March 4, 2020 to March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended, from time to time and other accounting principles generally accepted in India which have been approved by the Board at their meetings held on May 24, 2023, May 24, 2022 and June 1, 2021 respectively.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited financial statements.

The Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period from March 4, 2020 to March 31, 2021 and for the year ended March 31, 2022 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the year ended March 31, 2023.
- b) do not require any adjustment for modification as there is no modification in the underlying audit reports. There are following item relating to emphasis of matter (refer paragraph 2(b)(i) of Restated Consolidated Financial Information), which do not require any adjustment to the Restated Consolidated Financial Information:

As at and for the period from March 4, 2020 to March 31, 2021:

As more fully described in Note 2(b)(i) to the consolidated financial statements, to assess the recoverability of certain assets, the Group has considered internal and external information in respect of the current and estimated future global including Indian economics indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

The Company was incorporated on March 4, 2020 and accordingly, the Company prepared its first set of financial information for the period starting from March 4, 2020 to March 31, 2021 (“the period”). Consequently, the financial information for the year ended March 31, 2022 is not comparable with the aforesaid period. The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

Historical Cost convention

The Restated Consolidated Financial Statements have been prepared on the historical cost basis except for the following:

- a) certain financial instruments and contingent consideration - measured at fair value;
- b) assets classified as held for sale - measured at fair value less cost to sell;
- c) cash settled stock appreciation rights - measured at fair value;
- d) plan assets of defined benefit plans, which are measured at fair value

(b) Principles of consolidation and equity accounting

Subsidiaries:

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

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

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

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

Associates:

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

Equity method:

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

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

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a(vi) below.

Changes in ownership interests

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

(c) Business Combinations

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

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

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

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

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

Common control transactions

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

- a) The assets and liabilities of the combining entities are reflected at their carrying amounts. The Group has made accounting policy choice to account investment in associates and joint venture at a carrying cost as appearing in the books of acquiree.
- b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- c) The balance of the retained earnings appearing in the Restated Consolidated Financial Statements of the transferor is aggregated with the corresponding balance appearing in the Restated Consolidated Financial Statements of the transferee or is adjusted against general reserve.
- d) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- e) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- f) 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.

(d) **Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Group & 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/ estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Asset Class	Useful life
Buildings*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	4 - 8 years
Furniture & fixtures	3 - 15 years

**Useful life of leasehold improvements is as per lease period*

(e) **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 Restated Consolidated Statement of Profit and Loss.

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

Research

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

Development

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

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

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

Asset Class	Useful life
Brands and Trademarks	5 - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 30 years
Computer Software	2 - 9 years
Customer relationships	8 - 14 years

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

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

Goodwill

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Goodwill is carried at cost less accumulated impairment losses.

(f) Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group 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 Restated Consolidated Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(g) Financial instruments

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

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

Investments and Other Financial assets

Classification:

The Group classifies its financial assets in the following measurement categories:

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

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

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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 profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

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

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Restated Consolidated Statement of Profit and Loss.

Impairment of financial assets

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

A financial asset is derecognised only when:

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

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instrument

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

Compulsorily Convertible 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 Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

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

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 Group 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 Group 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

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

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

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

Derecognition of financial liabilities

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

Derivatives and hedging activities

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

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

Embedded derivatives

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

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

Offsetting Financial Instruments

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

(h) Trade Receivables

Trade receivables that do not contain a significant financing component are measured at transaction price of good sold or services rendered as defined in Ind AS 115, Revenue from Contract with Customers.

(i) Inventories

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

(j) **Employee Benefits**

a) 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.

b) 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.

c) Post-employment obligations

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions
- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

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

In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

Defined Benefit Plan

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

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the 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 Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(k) **Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

(l) **Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

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

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

Distribution Fees: Distribution fees are recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement provided that it is probable that the economic benefits shall flow to the Group and the amount can be measured reliably.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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 Group and the amount of income can be measured reliably).

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.

(m) **Foreign Currency Transactions**

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

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

For the purpose of presenting Restated Consolidated Financial Statements, the assets and liabilities of the Group foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

(n) **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.

(o) **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

(p) **Leases**

The Group's lease asset classes primarily consist of leases for land, buildings and IT assets. At the date of commencement of the lease, the Group 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 Group 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 group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(q) Taxes on Income

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. "

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

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

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

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

(r) 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.

(s) 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.

(t) Deferred Revenue and Unbilled Revenue

Amounts received from customers or billed to customers, in advance of services performed are recorded as deferred revenue under Other Current Liabilities. Unbilled revenue included in Other Financial Assets, represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

(u) **Segment Reporting**

The Group is operating in single reportable segment of 'Pharma' in terms of Ind AS 108.

(v) **Standards issued but not yet effective**

Recent pronouncements 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. The Group has evaluated the amendment and the impact of the amendment is insignificant in Group's financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to IndAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Group has evaluated the amendment and there is no impact on its financial statements.

(w) **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.

(x) **Share appreciation rights**

Liabilities for the group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

(y) **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.

(z) **Going Concern**

When preparing financial information, management makes an assessment of the Group's ability to continue as going concern. Financial information is prepared on going concern basis unless management either intends to liquidate the Group or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as going concern, those uncertainties are disclosed. When the financial information is not prepared on a going concern basis, that fact is disclosed, together with the basis on which the financial information is prepared and the reason why the Group is not regarded as going concern.

(aa) **Subsequent Event**

Financial information are approved after considering 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the statement of assets and liabilities date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the statement of assets and liabilities date or because of statutory requirements or because of their special nature. For non-adjusting events, the Group may provide a disclosure in the financial information considering the nature of the transaction.

Our Results of Operations

The following table sets forth, for the Financial Years 2023 and 2022 and Financial Period 2021, certain items from our restated consolidated statement of financial results and financial statements, in each case also stated as a percentage of our total income:

Sr. No.	Particulars	For the					
		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022		Financial Period ended March 31, 2021	
		(₹ in crore)	(% of total income)	(₹ in crore)	(% of total income)	(₹ in crore)	(% of total income)
1.	Revenue from operations	7,081.55	96.92	6,559.10	95.96	6,314.90	97.47
	Other income (net)	225.11	3.08	275.80	4.04	164.11	2.53
	Total income	7,306.66	100.00	6,834.90	100.00	6,479.01	100.00
2.	Expenses						
	Cost of materials consumed	1,682.46	23.03	1,566.96	22.93	1,518.08	23.43
	Purchase of stock-in-trade	952.20	13.03	829.07	12.13	593.77	9.16
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	68.64	0.94	55.21	0.81	(52.74)	(0.81)
	Employee benefits expense	1,896.35	25.95	1,588.83	23.25	1,467.74	22.65
	Finance costs	344.18	4.71	198.25	2.90	163.45	2.52
	Depreciation and amortisation expense	676.69	9.26	586.18	8.58	545.04	8.41
	Other expenses (Net)	1,853.66	25.37	1,569.37	22.96	1,360.09	20.99
	Total expenses	7,474.18	102.29	6,393.87	93.55	5,595.43	86.36
3.	Profit/ (loss) before share of net profit of associates/joint venture	(167.52)	(2.29)	441.03	6.45	883.58	13.64
	Share of net profit of associates/joint venture	54.33	0.74	59.03	0.86	47.24	0.73
4.	Profit/ (loss) after share of net profit of associates/joint venture before exceptional items and tax	(113.19)	(1.55)	500.06	7.32	930.82	14.37
	Exceptional Items	(6.96)	(0.10)	(15.08)	(0.22)	18.23	0.28
	Profit/ (loss) after share of net profit of associates /joint venture and before tax	(120.15)	(1.64)	484.98	7.10	949.05	14.65
	<i>Less: Income Tax Expense</i>						
	Current Tax	110.40	1.51	191.13	2.80	116.34	1.80
	Deferred Tax Credit	(44.09)	(0.60)	(82.11)	(1.20)	(2.32)	(0.04)
	Profit/ (loss) for the year/period	(186.46)	(2.55)	375.96	5.50	835.03	12.89

Financial Year 2023 compared to Financial Year 2022

Total income

Revenue from operations.

Our revenue from operations increased by 7.97% to ₹7,081.55 crore in Financial Year 2023 from ₹6,559.10 crore in Financial Year 2022, primarily due to growth of our CDMO business at North America facilities and Discovery services. Growth in our CHG Business is driven by healthy growth momentum particularly in the US markets for our Inhalation Anaesthesia products. India Consumer Healthcare business growth is mainly due to strong growth in power brands and strong sales traction in the D2C and ecommerce channel.

Total Expenses

Our total expenses increased by 16.90% to ₹7,474.18 crore in Financial Year 2023 from ₹6,393.87 crore in Financial Year 2022. This was primarily due to increase in cost of goods sold, employee benefits expenses, Finance cost, depreciation and amortisation cost and Other Expenses.

Cost of goods Sold

Our cost of goods sold increased by 10.28% to ₹2,703.30 crore in Financial Year 2023 from ₹2,451.24 crore in Financial Year 2022. This was primarily due to higher sales during the period and increase in raw material prices

Employee benefits expense

Our employee benefits expense increased by 19.36% to ₹1,896.35 crore in Financial Year 2023 from ₹1,588.83 crore in Financial Year 2022. This was primarily on account of increments, increase in headcount, annualization impact of cost for positions recruited previous year and weakening of the INR versus key currencies

Finance costs

Our finance costs increased by 73.61% to ₹344.18 crore in Financial Year 2023 from ₹198.25 crore in Financial Year 2022. This was primarily due to increase in average debt facility availed and increase in interest rate.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 15.44% to ₹676.69 crore in Financial Year 2023 from ₹586.18 crore in Financial Year 2022. This was primarily on account of capitalisation during the year and foreign currency fluctuation impact.

Other expenses

Other expenses increased by 18.11% to ₹1,853.66 crore in Financial Year 2023 from ₹1,569.37 crore in Financial Year 2022. This was primarily due to increase in marketing spend in the consumer product business, impact of one-time provision for accounts receivable pertaining to a biotech customer who had a funding challenge, impact of inflation and foreign currency fluctuation.

Tax expenses

Tax expenses decreased by 39.18% to ₹66.31 crore in Financial Year 2023 from ₹109.02 crore in Financial Year 2022. The decrease in tax expense is due to lower profit during the period.

Restated profit/ (loss) for the period

Our restated profit for the period decreased by 149.60% to ₹(186.46) crore in Financial Year 2023 from ₹375.96 crore in Financial Year 2022. Further, our PAT margin has reduced from 5.73% in Financial Year 2022 to (2.63)% in Financial Year 2023. This is primarily due to increase in total income by ₹471.76 crore, decrease in Income Tax expense by ₹42.71 crore offset by increase in total expenses by ₹1,080.31 crore on account of higher cost of goods sold, employee benefits expense, finance cost, depreciation and amortization expense and other expenses.

Financial Year 2022 compared to Financial Period 2021

Total income

Revenue from operations.

Our revenue from operations increased by 3.87% to ₹6,559.10 crore in Financial Year 2022 from ₹6,314.90 crore in Financial Period 2021, primarily due to growth in CDMO business due to higher offtake at Indian sites and new acquisitions, growth in

CHG Business driven by recovery of sales of inhalation anaesthesia (specifically in US markets) and strong growth in sales at India Consumer Healthcare business due to higher sales of multivitamins on account of Covid and infant care products.

Other income

Our other income increased by 68.06% to ₹275.80 crore in Financial Year 2022 from ₹164.11 crore in Financial Period 2021. This was primarily due to forex gains, government grants on capital investments, fair valuation and others

Total Expenses

Our total expenses increased by 14.27% to ₹6,393.87 crore in Financial Year 2022 from ₹5,595.43 crore in Financial Period 2021. This was primarily due to increase in cost of goods sold, and employee benefits expenses.

Cost of goods Sold

Our cost of goods sold increased by 19.04% to ₹2,451.24 crore in Financial Year 2022 from ₹2,059.11 crore in Financial Period 2021. This was primarily due to higher sales during the period and increase in raw material prices

Employee benefits expense

Our employee benefits expense increased by 8.25% to ₹1,588.83 crore in Financial Year 2022 from ₹1,467.74 crore in Financial Period 2021. This was primarily on account of increment, headcount, acquisition and FX impact.

Finance costs

Our finance costs increased by 21.29% to ₹198.25 crore in Financial Year 2022 from ₹163.45 crore in Financial Period 2021. This was primarily due to loan taken for acquisition.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 7.55% to ₹586.18 crore in Financial Year 2022 from ₹545.04 crore in Financial Period 2021. This was primarily on account of full year impact of acquisition of Hemmo Pharmaceutical Private Limited, Convergence Chemical Private Limited and G&W Laboratories Inc and incremental capitalisation during the year.

Other expenses

Other expenses increased by 15.39% to ₹1,569.37 crore in Financial Year 2022 from ₹1,360.09 crore in Financial Period 2021. This was primarily on account of the impact of acquisition of Hemmo Pharmaceutical Private Limited, Convergence Chemical Private Limited and G&W Laboratories Inc, higher sales promotion expenses in India consumer healthcare business, marketing spend in CDMO Business and higher freight expense.

Tax expenses

Tax expenses decreased by 4.39% to ₹109.02 crore in Financial Year 2022 from ₹114.02 crore in Financial Period 2021. The decrease in tax expense is due to lower profit during the period

Restated profit/ (loss) for the period

Our restated profit for the period decreased by 54.98% to ₹375.96 crore in Financial Year 2022 from ₹835.03 crore in Financial Period 2021. Further, our PAT margin has reduced from 13.22% in Financial Period 2021 to 5.73% in Financial Year 2022. This is primarily due to increase in total income by ₹355.89 crore, share of net profit of associates and joint ventures ₹11.79 crore and decrease in income tax expense by ₹5.00 crore which is offset by increase in total expenses by ₹798.44 crore on account of higher cost of goods sold, employee benefits expense, finance cost, depreciation and amortization expense and other expenses and increase in exceptional expense by ₹33.31 crore.

Financial Condition

Assets

Our consolidated assets are set out below as of the dates specified:

Sr. No.	Particulars	As at		
		March 31, 2023	March 31, 2022	March 31, 2021
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	3,363.04	2,864.07	2,636.56
	(b) Capital work-in-progress	852.93	673.15	399.53
	(c) Goodwill	1,107.51	1,030.50	856.47
	(d) Other intangible assets	2,772.57	2,806.09	2,482.28
	(e) Intangible assets under development	565.65	499.19	227.12
	(f) Right of use assets	225.48	178.52	130.18
	(g) Financial assets:			
	(i) Investments			
	- Investments accounted for using the equity method	170.11	179.82	109.67
	- Other investments	41.76	36.95	13.00
	(ii) Other financial assets	21.55	95.57	70.93
	(h) Deferred tax assets (Net)	349.30	297.27	244.12
	(i) Other non-current assets	217.18	68.69	81.22
	Total Non-current assets	9,687.08	8,729.82	7,251.08
2	Current assets			
	(a) Inventories	1,681.37	1,388.80	1,232.00
	(b) Financial assets			
	(i) Investments	427.11	50.40	-
	(ii) Trade receivables	1,799.34	1,785.28	1,574.94
	(iii) Cash and cash equivalents	195.59	228.10	384.65
	(iv) Bank balance (other than (iii) above)	111.97	100.89	20.97
	(v) Other Financial assets	92.42	50.85	112.06
	(c) Other current assets	527.68	462.90	324.08
	Total Current assets	4,835.48	4,067.22	3,648.70
	TOTAL ASSETS	14,552.56	12,797.04	10,899.78
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	1,193.32	1,185.91	994.60
	(b) Share warrants	-	-	0.10
	(c) Other Equity	5,580.18	5,510.69	4,610.30
	Total Equity	6,773.50	6,696.60	5,605.00
	LIABILITIES			
	Non-Current Liabilities			
	(a) Financial liabilities			
	i) Borrowings	3,383.54	2,622.14	2,339.16
	ii) Lease Liability	101.92	86.20	93.41
	iii) Other Financial Liabilities	4.98	0.40	-
	(b) Provisions	20.68	12.59	6.78
	(c) Deferred tax liabilities (Net)	219.31	192.01	222.49
	(d) Other Non-Current Liabilities	175.58	153.76	142.66
	Total Non-Current liabilities	3,906.01	3,067.10	2,804.50
	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2,121.23	1,401.14	571.03
	(ii) Lease Liability	30.39	18.44	21.49
	(iii) Trade payables			
	a. Total outstanding dues of Micro enterprises and Small enterprises	32.52	49.45	28.24
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,160.19	976.90	889.70
	(iv) Other financial liabilities	227.05	259.03	722.87
	(b) Other current liabilities	228.92	222.91	185.75
	(c) Provisions	39.21	33.81	31.78
	(d) Current tax liabilities (Net)	3.54	71.66	39.42
	Total Current liabilities	3,843.05	3,033.34	2,490.28
	TOTAL LIABILITIES	7,749.06	6,100.44	5,294.78
	TOTAL EQUITY & LIABILITIES	14,522.56	12,797.04	10,899.78

Cash Flows

The following table summarizes our statements of cash flows for the periods presented:

Particulars	As at		
	Financial Year 2023	Financial Year 2022	Financial Period 2021
Net cash generated from operating activities	483.89	766.42	597.58
Net cash used in investing activities	(1,338.78)	(1,812.10)	(4,479.93)
Net cash generated from financing activities	817.79	794.19	3,976.83
Net increase or (decrease) in cash and cash equivalents	(37.10)	(251.49)	94.48

Net Cash Generated from Operating Activities

Our net cash generated from operating activities for Financial Year 2023 of ₹483.89 crore resulted primarily from operating cash flow before working capital changes aggregating to ₹968.01 crore (including depreciation and amortisation expenses of ₹676.69 crore and finance costs which were considered separately of ₹344.18 crore), which was offset by decrease in trade receivables of ₹89.26 crore, decrease in other current assets of ₹13.90, and increase in inventories of ₹(172.64) crore.

Our net cash generated from operating activities for Financial Year 2022 of ₹766.42 crore resulted primarily from operating cash flow before working capital changes aggregating to ₹1,228.13 crore (including depreciation and amortisation expenses of ₹586.18 crore and finance costs which were considered separately of ₹198.25 crore), which was offset by increase in trade receivables of ₹(185.17) crore, increase in other current assets of ₹(118.14), and increase in inventories of ₹(175.64) crore.

Our net cash generated from operating activities for Financial Period 2021 of ₹597.58 crore resulted primarily from operating cash flow before working capital changes aggregating to ₹1,361.67 crore (including depreciation and amortisation expenses of ₹462.36 crore and finance costs which were considered separately of ₹163.45 crore), which was offset by increase in trade receivables of ₹(515.45) crore, increase in inventories of ₹(89.26) crore and taxes paid of ₹(144.51) crore.

Investing Activities

Our net cash used in investing activities for Financial Year 2023 of ₹(1,338.78) crore resulted primarily from payments for purchase of property plant and equipment/ intangible assets aggregating to ₹(964.75) crore and amount paid on purchase of current investments (in mutual funds) to ₹(1,209.13) crore.

Our net cash used in investing activities for Financial Year 2022 of ₹(1,812.10) crore resulted primarily from payments for purchase of property plant and equipment/ intangible assets aggregating to ₹(889.51) crore and amount paid on acquisition of subsidiary aggregating to ₹(790.74) crore.

Our net cash used in investing activities for Financial Period 2021 of ₹(4,479.93) crore resulted primarily from payments for purchase of property plant and equipment/ intangible assets aggregating to ₹(602.19) crore, and payment for purchase of pharma business aggregating to ₹(3,710.00) crore.

Financing Activities

Our net cash generated from financing activities for Financial Year 2023 of ₹817.79 crore resulted primarily from proceeds from current borrowings (receipts) aggregating to ₹1,821.86 crore and proceeds from non-current borrowings (receipts) aggregating to ₹2,562.81 crore, which was offset by proceeds from current borrowings (payments) aggregating to ₹(1,464.72) crore and proceeds from non-current borrowings (payments) aggregating to ₹(1,721.53) crore.

Our net cash generated from financing activities for Financial Year 2022 of ₹794.19 crore resulted primarily from proceeds from current borrowings (receipts) aggregating to ₹1,349.72 crore and proceeds from non-current borrowings (receipts) aggregating to ₹903.83 crore, which was offset by proceeds from current borrowings (payments) aggregating to ₹(996.47) crore and proceeds from non-current borrowings (payments) aggregating to ₹(237.95) crore.

Our net cash generated from financing activities for Financial Period 2021 of ₹3,976.83 crore resulted primarily from receipt from issue of equity shares for the amount aggregating to ₹3,448.41 crore, proceeds from current borrowings (receipts) aggregating to ₹869.08 crore and proceeds from non-current borrowings (receipts) aggregating to ₹1,677.68 crore, which was offset by proceeds from current borrowings (payments) aggregating to ₹(1,145.96) crore and proceeds from non-current borrowings (payments) aggregating to ₹(1,666.00) crore.

Indebtedness

As on March 31, 2023, we have outstanding borrowings of ₹5,504.77 crore on a consolidated basis, the details of which are given below:

		(in ₹ crore)
Particulars	Outstanding amount as on March 31, 2023	
Non-current borrowings		3,383.54
Current borrowings		2,121.23
Total:		5,504.77

The increase in outstanding borrowing of our Company from the Financial Period 2022 to Financial year 2023 is primarily due to loan taken for acquisition, capital expenditure and additional working capital requirements.

For details of our borrowings, see “*Financial Statements*” beginning on page 170.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates. Such transactions are for, amongst others, sale and purchase of goods and services, loans and interest thereon, etc. For details of our related party transactions, see notes to our financial statements.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Contingent Liabilities and Commitments

The table below sets forth our contingent liabilities and commitments, as of March 31, 2023 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

		(in ₹ crore)
Particulars	As at March 31, 2023	
A. Contingent liabilities:		
1. Claims against the group not acknowledged as debts:		
Dispute with Telangana Pollution Control Board (TPCB)		11.86
2. Others:		
i. Appeals filed in respect of disputed demands:		
Sales Tax		2.83
Central/ State Excise/ Service Tax/ Customs		39.36
Labour Matters		1.92
ii. Unexpired Letters of Credit		1.35
B. Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for		225.34
b. The group has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period		23.12

Capital Expenditure

For Financial Years 2023 and 2022 and Financial Period 2021, our capital expenditure amounted to ₹964.75 crores, ₹889.51 crore and ₹602.19 crore, respectively, primarily consisting of plant and machinery and intangibles. Since Financial Year 2022, we have made capital expenditures in relation to the plant and machinery and intangibles.

Known trends and uncertainties that have or are expected to have a material impact on income

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “ - *Significant Factors Affecting Our Results of Operations*” and the uncertainties described in the section “*Risk Factors*” beginning on pages 323 and 18, respectively. To our knowledge, except as disclosed in this Letter of Offer, there are no known factors which we expect to have a material adverse effect on our income.

Quantitative and Qualitative Analysis of Market Risks

Our business exposes us to a variety of financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Our Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets. Other financial assets are bank deposits with banks and hence, our Company does not expect any credit risk with respect to these financial assets.

Liquidity risk

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign exchange risk.

OTHER QUALITATIVE FACTORS

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as described in this Letter of Offer, there have been no other significant economic changes to the best of our knowledge which may materially affected in the last three years or are likely to affect income from continuing operations.

Significant dependence on a few customers

Please see the section titled "*Risk Factors - 27. Our business is dependent on the sale of our products to our customers and in key markets, particularly India, North America, Europe and Japan. The loss of such customers or a significant reduction in purchases by such customers in these markets could materially adversely affect our business, cash flows, results of operations and financial condition.*" on page 35.

Known Trends or Uncertainties

Our business has been impacted, and we expect will continue to be impacted, by the trends identified above in the section titled "*— Significant Factors Affecting Our Result of Operations*" on page 323 and the risks and uncertainties described in "*Risk Factors*" beginning on page 18. Except as described in this Letter of Offer, to the best of our knowledge there are no known trends or uncertainties that have had, or are expected to have, a material adverse impact on our revenues or income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described in this Letter of Offer, there have been no other events or transactions to the best of our knowledge which may be described as "unusual" or "infrequent" that may have taken place in the last three years.

Future Relationship between Cost and Income

Except as described in the sections titled "*Risk Factors*", and "*Our Business*", and this section, to the best of our knowledge, there is no future relationship between cost and income that will have a material adverse effect on our operations and finances.

The Extent to which Material Increases in Net Sales or Revenue are Due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in income from operations in the last three Financial Years are as explained in this section.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, see discussions of our competition in "*Risk Factors*" on page 18.

Seasonality of business

Our business is not affected by any seasonal changes.

New Product or Business Segment

We introduce new products from time to time based on the requirements of our customers. Other than the new products under development as described in “*Our Business*” and “*Risk Factors*” beginning on pages 137 and 18, respectively, to our knowledge, there are no current plans to develop new products or establish any new business segments.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023

No circumstances have arisen since the date of the last financial statements as disclosed in this Letter of Offer which materially and adversely affect or are likely to affect our trading and profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

MARKET PRICE INFORMATION

As on the date of this Letter of Offer, 119,33,18,500 Equity Shares of our Company are issued, subscribed and fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE.

Since the Equity Shares of our Company got listed on the Stock Exchanges in Financial Year 2023 with effect from October 19, 2022, the details of high, low and average of the closing prices of our Equity Shares on the Stock Exchanges and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded, for the last three financial years are not available and have not been included in this Letter of Offer. These details have been given on a monthly basis. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

- A.** The following tables set out the reported high and low and average of the closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months.

NSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	No. of trading days in the period	Equity Shares traded in the month	
											Volume	Turnover (₹ in crore)
June, 2023	97.75	June 16, 2023	6,02,22,120	573.29	80.70	June 1, 2023	54,73,497	44.61	90.01	21	22,08,37,630	2,018.24
May, 2023	85.00	May 30, 23	93,60,385	78.31	70.75	May 3, 2023	21,20,854	15.21	75.57	22	16,00,68,720	1,259.73
April, 2023	79.25	April 19, 2023	2,51,52,049	195.27	68.70	April 11, 2023	29,22,020	20.32	71.66	17	8,68,84,588	638.75
March, 2023	81.30	March 1, 2023	23,04,426	18.43	63.10	March 28, 2023	48,95,002	31.31	70.88	21	9,47,20,121	670.78
February, 2023	105.80	February 1, 2023	19,64,984	20.16	78.30	February 28, 2023	16,81,395	13.38	90.04	20	7,81,12,828	699.47
January, 2023	126.60	January 3, 2023	38,60,192	48.33	101.40	January 30, 2023	33,86,768	35.03	114.25	21	5,24,66,321	602.78
Average											11,55,15,035	981.62

(Source: www.nseindia.com)

1. High of intraday high.
2. Low of intraday low.
3. Average price for the month represents the average of daily closing prices.
4. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	No. of trading days in the period	Equity Shares traded in the month	
											Volume	Turnover (₹ in crore)
June, 2023	97.75	June 16, 2023	18,87,203	18.05	80.75	June 1, 2023	4,09,081	3.35	90.04	21	1,56,40,210	142.35
May, 2023	85.00	May 30, 2023	17,87,861	14.93	70.75	May 3, 2023	1,68,507	1.21	75.58	22	1,47,38,275	115.53
April, 2023	79.17	April 19, 2023	21,72,169	16.87	68.75	April 11, 2023	1,90,105	1.32	71.68	17	69,60,606	51.31
March, 2023	81.25	March 1, 2023	2,75,734	2.20	63.13	March 28, 2023	3,83,356	2.45	70.90	21	90,14,494	63.81
February, 2023	105.60	February 1, 2023	1,56,727	1.61	78.35	February 28, 2023	2,09,931	1.67	90.08	20	71,51,564	64.92
January, 2023	126.70	January 3, 2023	3,67,934	4.61	101.35	January 30, 2023	2,76,537	2.85	114.26	21	45,63,272	52.77
Average											96,78,070	81.78

(Source: www.bseindia.com)

1. High of intraday high.
2. Low of intraday low.
3. Average price for the month represents the average of daily closing prices.
4. In case of two days with the same high or low price, the date with the higher volume has been chosen.

- B.** The Board has approved the Issue at its meeting held on February 8, 2023. The following table sets forth the market prices of our Equity Shares on the BSE and the NSE on February 9, 2023, the first working day immediately following the date of the Board meeting:

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in crore)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in crore)
95.00	95.00	87.55	89.35	1,21,69,589	109.82	92.05	95.10	87.55	89.25	16,11,473	14.55

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated March 24, 2023, in each case involving our Company, its Subsidiaries, Promoter and Directors (“**Relevant Parties**”).*

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Letter of Offer pursuant to the Board resolution dated March 24, 2023. Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been included.

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary actions including any penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years including any outstanding actions, would be considered ‘material’ in the following circumstances:

- a. where such matters involve any of the Relevant Parties, the monetary amount of claim by or against the entity or person in any such pending proceeding is equivalent to or in excess of ₹7.52 crore (being 2% of the consolidated profit after tax of our Company for the Financial Year 2022), in terms of the Restated Consolidated Financial Information (“**Materiality Threshold**”); and*
- b. all outstanding litigation which may not meet the monetary threshold, or wherein a monetary liability is not quantifiable, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation or prospects of our Company and/ or its Subsidiaries, and as determined by our Company.*

Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against our Promoter in the last five Financial Years including any outstanding action.

Our Company has a “Policy on determination of materiality” framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by the Board. There is no outstanding litigation that has been considered material in accordance with our Company’s “Policy on determination of materiality” and accordingly, there is no such outstanding litigation involving the Relevant Parties that requires disclosure in this Letter of Offer.

It is clarified that for the above purposes, pre-litigation notices received by the Relevant Parties from third-parties (excluding statutory or regulatory or tax authorities) have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum or arbitral forum.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

1. FIR dated March 10, 2021 was filed by Mr. Selvam, one of our contract workers before the M5 Ennore police station against one of our warehouse managers, under Sections 338 and 304(A) of the IPC in relation to a fire accident, which occurred at our development and manufacturing facility situated in Ennore, in which one of our employees lost his life and five contract workers sustained injuries (“**Incident**”), alleging that the Incident occurred because the higher officials of our Company did not undertake proper maintenance. The police enquiry in the matter is still ongoing.

In connection with this Incident, the Joint Director, Industrial Safety and Health, Thiruvottiyur, issued a show cause notice dated March 15, 2021 (“**Show Cause Notice**”) to our Company alleging the Incident occurred due to contravention of the provisions of the Factories Act, 1948, as amended and the Tamil Nadu Factories Rules, 1950 and our Company filed a reply dated May 26, 2021 to the Show Cause Notice stating *inter alia*, that there is no violation of the Factories Act, 1948, as amended and the Tamil Nadu Factories Rules, 1950 and our Company has exercised all due diligence to ensure safety of its employees. Thereafter, the Government of Tamil Nadu, Department of Industries Safety and Health (represented by its Deputy Director), Thiruvottiyur, Chennai (“**Complainant**”) filed a complaint dated October 7, 2021 (“**Complaint**”) against Uday Joshi, the manager of our Ennore development and manufacturing facility (“**Employee**”) before the Court of Chief Metropolitan Magistrate, Tiruvallur (“**CMM**”) for the alleged violation of Section 41 of the Factories Act, 1948, as amended read with Rule 61F of the Tamil Nadu Factories Rules, 1950 in relation to the Incident. By way of its order dated October 28, 2021 (“**Order**”), the CMM took cognizance of the matter and directed the issuance of summons to the Employee. Thereafter, the Employee filed a petition under Section 482 of the Criminal Procedure Code, 1973, before the High Court of Judicature, Madras (“**High Court**”) in February 2022, to quash the Complaint. This matter is currently pending

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Actions taken by Regulatory or Statutory Authorities

1. The Telangana State Pollution Control Board (“**TSPCB**”) issued a show cause notice dated September 28, 2020, to our Company (“**Show Cause Notice**”) for alleged violation of Section 33(A) of the Water (Prevention and Control of Pollution) Act, 1974 and Section 31(A) of the Air (Prevention and Control of Pollution) Act, 1981 in relation to the omission by our Company to contribute an amount equivalent to 0.5% of the annual turnover for FY 2016-17, FY 2017-18 and FY 2019-20 to the “Patancheru and Bollaram Environmental Relief Fund” (“**Corpus Fund**”), which was created pursuant to the judgment dated October 24, 2017 passed by the National Green Tribunal, Southern Zone Bench, Chennai (“**NGT**” and the judgement, the **NGT Judgement**”). Our Company, vide letter dated October 16, 2020, informed TSPCB that the NGT Judgement is not applicable to it, as our industrial unit is not located in the Patancheru and Bollaram area, however, TSPCB vide its order dated February 1, 2021, held that our Company is also liable to contribute to the Corpus Fund (“**TSPCB Order**”). The Show Cause notice and TSPCB Order were challenged by way of a writ petition filed by our Company against the State of Telangana and TSPCB (“**Respondents**”) before the High Court of Judicature for the State of Telangana (“**High Court**”). The High Court initially, by way of its order dated April 26, 2021, granted interim stay against the operation and implementation of the Show Cause Notice and the TSPCB Order, but has subsequently disposed-off the writ petition by way of its order dated November 12, 2021, with the liberty to our Company to approach the NGT to seek appropriate order that it is not obligated to contribute to the Corpus Fund pursuant to the NGT Judgement (“**High Court Order**”). Aggrieved by the High Court Order, our Company has filed a special leave petition before the Supreme Court of India on February 15, 2022. This matter is currently pending.
2. Our Company (in its own capacity or by virtue of being the transferee of the pharma business of PEL) is in receipt of three notices from relevant authorities of the Legal Metrology departments in Bathinda, Punjab; Dehradun, Uttarakhand; and Balrampur, Uttar Pradesh (“**LM Notices**”) in relation to alleged non-compliance of mandatory declarations and labelling requirements for our products under the Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 including *inter alia*, incorrect disclosure of net quantity, omission of complete name and address of the manufacturer/packer/importer, omission of the declaration indicating that the retail sale price of the package is the maximum retail price inclusive of taxes. Our Company has responded to all the LM Notices and has also paid an amount of ₹200,000 and ₹5,000, respectively, for compounding of the offences specified in the LM Notices received from the relevant authorities of the Legal Metrology departments in Dehradun, Uttarakhand; and Balrampur, Uttar Pradesh. No further communication has been received by our Company in relation to any of the LM Notices.
3. The Office of the Deputy Chief Inspector of Factories, Sangareddy at Ramachandrapuram (“**Dy. Chief Inspector of Factories**”) has issued a show cause notice dated November 8, 2021 (“**Show Cause Notice**”) to one of our erstwhile directors and one of our employees alleging non-compliance of the provisions of the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident of chemical splash that occurred (“**Incident**”) at our development and manufacturing facility located at Digwal, Telangana, as a result of which a contract worker (“**Worker**”) sustained eye injuries. The non-compliances in relation to which the Show Cause Notice has been issued include, *inter alia*, failure to identify the unsafe act and procedure of cleaning; failure to ensure that workers wear suitable goggles while cleaning equipment containing hazardous materials; and failure to provide adequate safety instructions and safety training to the contract workers. Our Company has submitted a reply to the Show Cause Notice on November 29, 2021 (“**Reply**”) stating, *inter alia*, that our Company has exercised due diligence and undertaken steps to ensure safety of employees; the Worker was provided with training, information and protective gear and the Incident occurred due to slippage of the Worker’s protective glasses, and requested the Dy.Chief Inspector of Factories to drop any further prosecution. No further communication has been received by our Company post submission of the Reply.
4. The Office of the Deputy Chief Inspector of Factories, Sangareddy at Ramachandrapuram (“**Dy. Chief Inspector of Factories**”) has issued a show cause notice dated February 16, 2023 (“**Show Cause Notice**”) to our Executive Director and Chief Financial Officer, Vivek Valsaraj and one of our employees alleging non-compliance of the provisions of the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident of chemical flash fire that occurred at our development and manufacturing facility located at Digwal, Telangana, as a result of which two contract workers (“**Workers**”) sustained burn injuries (“**Incident**”). The non-compliances in relation to which the Show Cause Notice has been issued include, *inter alia*, failure to adopt proper and safe method of loading hazardous chemical, i.e. chloropurine stage-I; failure to ensure at all times that hazardous chemicals, equipments, etc. are free from static

electricity; and failure to provide suitable heat resistance face shield, hand gloves, and aprons with sleeves to the workers employed for loading hazardous chemicals. Our Company has submitted a reply dated March 16, 2023 to the Show Cause Notice (“**Reply**”) stating, *inter alia*, that our Company has exercised due diligence and undertaken steps to ensure safety of its workers and employees; and the Workers were provided with training, information and personal protective equipment and the Incident occurred as one of the Workers did not wear the personal protective equipment properly and another Worker came in line of fire to support the first Worker, and requested the Dy.Chief Inspector of Factories to drop any further prosecution. No further communication has been received by our Company post submission of the Reply.

5. Our Company has received a summon dated December 23, 2022 (“**Notice**”) from the Regional Provident Fund Commissioner, Thane (“**Commissioner**”) directing us to pay damages amounting to ₹0.11 crore and interest amounting to ₹0.05 crore under Section 14B and Section 7Q of Employee Provident Fund and Miscellaneous Provisions Act, 1952 (“**EPF Act**”) in relation to the delay in payment of provident fund and pension contributions in respect of the employees of our development and manufacturing unit at Pithampur for the period from August 2020 to August 2022. Thereafter, the Commissioner issued (a) summon dated December 27, 2022 under Section 14B of the EPF Act to our Company for delay in submission of remittances from period August 2020 to August 2022 and thereby attracting a levy of penal damages of ₹0.11 crore, and (b) summon dated December 27, 2022 under Section 7Q of the EPF Act from the Commissioner attracting a levy of interest of ₹0.05 crore. The Commissioner has directed our Company to appear in person or attend the virtual hearing. Our Company has submitted a reply to the Notice on January 25, 2023 (“**Reply**”) stating that the delay in the aforementioned payment was caused due to technical difficulties that arose due to the transfer of our development and manufacturing unit at Pithampur from PEL to our Company through a business transfer agreement dated June 26, 2020 (“**Transfer**”) which include, *inter alia*, the provident fund trust in which provident fund was deposited prior to the Transfer was exempted from EPF Act, rejection of our request for change in name from ‘M/s Piramal Enterprises Limited’ to ‘M/s Piramal Pharma Limited’ in relation to the existing provident fund code, by Regional Provident Fund Commissioner, Indore. Basis the above facts, our Company has requested for waiver of the damages and agreed to make the interest payment. The matter is currently pending.
6. SEBI has issued a show cause notice against our Company pursuant to letter dated May 31, 2023 (“**SCN**”) under Rule 4(1) of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, read with Section 15I of the Securities and Exchange Board of India Act, 1992 and Rule 4(1) of the Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 read with Section 23-I of the Securities Contracts (Regulation) Act, 1956, alleging non-disclosure of certain material information to the stock exchanges as required in terms of SEBI Listing Regulations with respect to (a) imposition of a penalty of ₹8.32 crores by the National Green Tribunal on PEL vide order dated November 13, 2019 on account of environment pollution; (b) closure of a plant of PEL (subsequently transferred to the Company pursuant to a business transfer agreement dated June 26, 2020) situated at Digwal, Telangana; and (c) misrepresentation in the business responsibility report included in the annual reports of PEL for Financial Years 2019 and 2020 (“**Alleged Non-Disclosures**”). In connection with this matter, SEBI had sought certain clarifications via email dated February 17, 2023 and our Company in its response dated February 21, 2023 specified that it was not in existence at the time of the incidents and the Alleged Non-Disclosures and that the penalty imposed by the National Green Tribunal on PEL (which was subsequently transferred to the Company pursuant to a business transfer agreement dated June 26, 2020) was disclosed in the information memorandum dated September 5, 2022 issued by the Company for listing of its equity shares. Our Company, pursuant to its letter dated June 13, 2023, requested SEBI for the inspection of certain documents and records available with SEBI. Further, our Company filed a detailed response pursuant to its letter dated July 14, 2023 requesting SEBI to withdraw the SCN as, *inter alia*, our Company was not incorporated at the time of the Alleged Non-Disclosures and that our Company is being denied a fair opportunity to defend itself. Additionally, our Company re-iterated its submissions in the personal hearing held with SEBI on July 14, 2023. This matter is currently pending.
7. The Directorate of Enforcement, Ministry of Finance, Government of India, Hyderabad Zonal Office (“**ED**”) issued a summon dated June 30, 2023 (“**Summon**”) to our managing director as per sub-sections 2 and 3 of Section 50 of the Prevention of Money Laundering Act, 2002. Pursuant to the Summon, ED has asked the managing director of our Company to appear before the office of ED along with certain documents as mentioned in the Summon. Subsequently, the administrative committee of our Board, vide its resolution dated July 13, 2023, appointed P.M Chandramohan, Vice President – Strategy, as authorized representative of the Company to appear before the ED and the documents requested by the ED in terms of the Summon were submitted on July 21, 2023. The matter is currently pending.
8. The Office of the Deputy Chief Inspector of Factories, Sangareddy at Ramachandrapuram (“**Dy. Chief Inspector of Factories**”) has issued a notice dated July 5, 2023 (“**Show Cause Notice**”) to our Executive Director and Chief Financial Officer, Vivek Valsaraj and one of our employees alleging non-compliance of the provisions of the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident that occurred at our development and manufacturing facility located at Digwal, Telangana, as a result of one of our contract met with the serious incident (“**Incident**”). The non-compliances in relation to which the Show Cause Notice has been issued include, *inter alia*, failure to adopt suitable and safe method of carrying out the cleaning, aligning, maintenance and checking of the chain and sprocket drive, failure to issue sustainable permit to work, failure to provide sufficient information, proper safety instruction and necessary safety to the workers. Our Company has submitted a reply to the Show Cause Notice on July 25, 2023 stating, *inter alia*, that the Company has exercised all due diligence and steps to ensure the safety of its workers and there has been no violation of the Factories Act, 1948 and Telangana Factories Rules, 1950. Further, our Company has also stated that it has a

detailed permit to work system in place to carry out any work activity in the factory premises, and accordingly, our Company has requested the Dy. Chief Inspector of Factories to drop the current and any further proceedings. The matter is currently pending.

9. Our Company has received a show cause notice dated July 26, 2023 (“**SCN**”), from the Ministry of Environment, Forest and Climate Change, Ozone Cell, (“**MOEFCC**”) in relation to an application dated April 1, 2021, submitted by our Company for registration as a user of HCFC-22 (Difluoro Monochloro Methane) as a feedback material for the manufacture of the product namely ‘Isoflurane’. MOEFCC has alleged that our Company has submitted inadequate information for registration of the product ‘Isoflurane’ and has further alleged that our Company has been engaged in the manufacturing of the product ‘Isoflurane’ using HCFC-22 as a feedback material since 2006 without obtaining registration under the Ozone Depleting Substances (Regulation and Control) Rules, 2000, as amended. Our Company is required to submit a reply to the SCN within 30 days from the date of the SCN. This matter is currently pending.

Litigation by our Company

Criminal Proceedings

1. Our Company has filed a criminal complaint dated January 11, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Anshi Traders, through its proprietor Susanta Sahoo (“**Accused**”) for dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued three cheques of various amounts aggregating to ₹0.02 crore. The cheques were dishonoured on account of “*Funds Insufficient*” and “*Exceeds Arrangement*”. Our Company had subsequently served a legal demand notice dated November 26, 2022 on the Accused notifying them of the dishonour of the cheques and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.008 crore and the matter is currently pending.
2. Our Company has filed a criminal complaint dated January 11, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Jay Guru Traders, through its proprietor - Soumendra Kumar Sahu (“**Accused**”) for dishonour of a cheque under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockists of our Company and in discharge of their liability towards our Company, issued a cheque of amount aggregating to ₹0.01 crore. The cheque was dishonoured on account of “*Funds Insufficient*”. Our Company had subsequently served a legal demand notice dated November 28, 2022 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.01 crore and the matter is currently pending.
3. Our Company has filed a criminal complaint dated January 11, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Pratap Chandra Seth, through its proprietor - Sankar Prasad Chowdhury (“**Accused**”), for dishonour of a cheque under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockists of our Company and in discharge of their liability towards our Company, issued a cheque of amount aggregating to ₹0.02 crore. The cheque was dishonoured on account of “*Funds Insufficient*”. Our Company had subsequently served a legal demand notice dated November 28, 2022 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.004 crore and the matter is currently pending.
4. Our Company has filed a criminal complaint dated January 11, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Pratap Chandra Seth, through its proprietor - Sankar Prasad Chowdhury (“**Accused**”), for dishonour of a cheque under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockists of our Company and in discharge of their liability towards our Company, issued a cheque of amount aggregating to ₹0.08 crore. The cheque was dishonoured on account of “*Funds Insufficient*”. Our Company had subsequently served a legal demand notice dated December 24, 2022 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.08 crore and the matter is currently pending.
5. Our Company has filed a criminal complaint dated May 5, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Alagu Meenakshi Agencies, through its proprietor Supramaniam Meenakshi Sundaram Alamelu (“**Accused**”) for dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued two cheques of various amounts aggregating to ₹0.22 crore. The cheques were dishonoured on account of “*Payment Stopped by Drawer*”. Our Company had subsequently served a legal demand notice dated March 30, 2023 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.22 and matter is currently pending.
6. Our Company has filed a criminal complaint dated May 5, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Alagu Meenakshi Agencies, through its proprietor Supramaniam Meenakshi Sundaram Alamelu (“**Accused**”) for dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued two cheques of various amounts aggregating to ₹0.22 crore. The cheques were dishonoured on account of “*Funds Insufficient*”. Our

Company had subsequently served a legal demand notice dated March 21, 2023 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.22 crore and the matter is currently pending.

7. Our Company has filed a criminal complaint dated May 10, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against SP Pharmaceuticals, through its proprietors Aswini Jeevanantham and Uma Maheswari (“**Accused**”) for dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued one cheque amounting to ₹0.05 crore. The cheques were dishonoured on account of “*Payment Stopped by the Drawer*”. Our Company had subsequently served a legal demand notice dated March 21, 2023 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.05 crore and the matter is currently pending.
8. Our Company has filed a criminal complaint dated May 10, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against SP Pharmaceuticals, through its proprietors Aswini Jeevanantham and Uma Maheswari (“**Accused**”) for dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued one cheque amounting to ₹0.11 crore. The cheques were dishonoured on account of “*Payment Stopped by the Drawer*”. Our Company had subsequently served a legal demand notice dated April 4, 2023 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.11 crore and the matter is currently pending.
9. Our Company has filed a criminal complaint dated May 18, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against Sri Chella Agencies, through its proprietor Civalingam Pillai Anandarajan (“**Accused**”) for dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued one cheque amounting to ₹0.06 crore. The cheque was dishonoured on account of “*Payment Stopped by Drawer*”. Our Company had subsequently served a legal demand notice dated April 7, 2023 on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.06 crore and the matter is currently pending.
10. Our Company has filed a criminal complaint dated June 27, 2023 (“**Complaint**”) before the Court of Metropolitan Magistrate, 14th Court, at Girgaon, Mumbai against M/s Santosh Pharmaceuticals, through its proprietor Nitin Tyagi (“**Accused**”) for dishonour of four cheques under Section 138 of the Negotiable Instruments Act, 1881. The Accused was one of the stockist of our Company and in discharge of their liability towards our Company, issued four cheques aggregating to ₹0.03 crore. The cheque was dishonoured on account of “*Exceeds Arrangement*” and “*Funds Insufficient*”. Our Company had subsequently served a legal demand notice dated May 10, 2023, on the Accused notifying them of the dishonour of the cheque and demanding repayment of the amount due. Upon failure of the Accused to repay the sums due, our Company has filed the Complaint. The outstanding dues payable by the Accused is ₹0.03 crore and the matter is currently pending.

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Litigation involving our Promoter

Litigation against Promoter

Criminal Proceedings

1. Loknath Ratnakar (“**Complainant**”) has filed a criminal complaint (“**Complaint**”) in 2002 before the Court of Chief Judicial Magistrate, Patna. against our Promoter, PEL (in its erstwhile name ‘*Nicholas Piramal India Limited*’) and others alleging offences under Sections 420, 406 and 120-B, of the Indian Penal Code, 1860. The Complaint has been filed on the grounds that PEL has taken a road permit through the Complainant but has supplied the products through another clearing and forwarding agent, other than the Complainant. This matter is currently pending.

2. Neetu Shahi has filed a first information report (“**FIR**”) dated July 3, 2020 before the Vikasnagar, Lucknow Police Station against our Promoter and others (“**Accused**”) alleging *inter alia* cheating, dishonesty, and criminal of trust. Thereafter, the Accused filed a writ petition dated July 23, 2020 (“**Writ Petition**”) in the High Court of Judicature at Allahabad (“**High Court**”), for quashing the FIR. The Accused have contended that the FIR has been lodged with *mala fide* intentions since the intimidation for reinstatement of the employment did not work, the prosecution story as contained in the FIR was false and fictitious. The High Court, vide its order dated July 28, 2020, granted relief of protection against the arrest. Thereafter, the police have filed a final report for closure before the additional chief judicial magistrate and the Writ Petition has also been dismissed as infructuous by the High Court. The matter is currently pending.
3. SS Sonawane, Sub-divisional Officer, Alibag, has filed a criminal complaint dated April 4, 2018 (“**Complaint**”) before the Chief Judicial Magistrate, Raigard, Alibaug (“**CJM**”), against our Promoter under Section 15 of the Environment Protection Act, 1986 alleging unauthorised construction on property bearing Gut No. 395, Village Akshi, Taluka Alibaug, thereby violating the provisions of the coastal regulation zone. CJM, vide its order dated April 13, 2018 (“**Order**”), passed an order of issue process against our Promoter. Thereafter, our Promoter has filed a criminal revision application before the Court of Additional Sessions Judge, Alibaug (“**Court**”) challenging the Order. The Court, vide its order dated February 20, 2019, called for records and proceedings from the CJM. This matter is currently pending.

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Actions taken by Regulatory or Statutory Authorities

Nil

Litigation by Promoter

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Disciplinary action including penalty against the Promoter imposed by SEBI or any stock exchange in the last five Fiscals

Except as disclosed below, no disciplinary action has been taken or penalty has been imposed against our Promoter by SEBI or Stock Exchanges in the last five Fiscals.

1. SEBI had issued an order dated October 3, 2016 (“**Order**”) against Ajay G. Piramal, our Promoter, Nandini Ajay Piramal, Chairperson and Executive Director, and members of our Promoter Group, namely, Swati A. Piramal and Piramal Enterprises Limited (“**Respondents**”) imposing an aggregate penalty of ₹6,00,000 in respect of certain technical non-compliances with the Model Code of Conduct prescribed under the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992. Thereafter, an appeal was filed by the Respondents with the Securities Appellate Tribunal (“**SAT**”) against the said Order. The Order was modified by the SAT, vide its verdict dated May 15, 2019 and the imposition of penalty was converted into a warning with a further direction that if any such incident occurs in future, it would be open to SEBI to proceed in accordance with law.

Litigation involving our Directors

Litigation against our Directors

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Actions taken by Regulatory or Statutory Authorities

1. The Office of the Deputy Chief Inspector of Factories, Sangareddy at Ramachandrapuram (“**Dy. Chief Inspector of Factories**”) has issued a show cause notice dated February 16, 2023 (“**Show Cause Notice**”) to our Executive Director and Chief Financial Officer, Vivek Valsaraj and one of our employees alleging non-compliance of the provisions of the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident of chemical flash fire that occurred at our development and manufacturing facility located at Digwal, Telangana, as a result of which two contract workers sustained burn injuries (“**Incident**”). For further details, see “- *Litigation involving our Company - Litigation against our Company - Actions taken by Regulatory or Statutory Authorities*” on page 349.
2. The Office of the Deputy Chief Inspector of Factories, Sangareddy at Ramachandrapuram (“**Dy. Chief Inspector of Factories**”) has issued a notice dated July 5, 2023 (“**Show Cause Notice**”) to our Executive Director and Chief Financial Officer, Vivek Valsaraj and one of our employees alleging non-compliance of the provisions of the Factories Act, 1948 and Telangana Factories Rules, 1950 in relation to an incident that occurred at our development and manufacturing facility located at Digwal, Telangana. For further details, see “- *Litigation involving our Company - Litigation against our Company - Actions taken by Regulatory or Statutory Authorities*” on page 349.

Litigation by our Directors

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings above the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Actions taken by Regulatory or Statutory Authorities

1. Piramal Piramal Health Care UK Limited (“**PHUK**”) received a notice of contravention dated May 21, 2021 from UK Health and safety executive (“**HSE**”) with the observations related to a review of COSHH (control of substances hazardous to health regulations) assessments and adequately control their exposure to those substances. Following a site visit on July 7, 2021, PHUK received an improvement notice dated August 5, 2021 and further correspondence on the same on October 7, 2021, with the following observations: (i) PHUK is required to undertake a thorough examination

and testing of Respiratory Protective Equipment (“RPE”) used in the female hormone compound (“FHC”) department; (ii) PHUK is required to undertake control of exposure to API during cleaning in FHC department; (iii) establish where the central vacuum system is being used as local exhaust ventilation (“LEV”) to control exposure to substances hazardous to health, i.e. API at source; (iv) suitable TExT (Thorough examination and testing) is carried out for all identified LEV on site; and (v) develop a comprehensive air monitoring programme for other areas of the pharmaceutical manufacturing facility where API are used. PHUK has undertaken remedial actions in relation the observations made and has a program of corrective actions to close the remaining observations as set out by the HSE in the notices. This matter is currently pending.

2. Piramal Critical Care, Inc. (“PCCI”) received a notice dated December 22, 2022 from Pennsylvania Department of Environment Protection (“PADEP”) in relation to an unpermitted discharge of material which was carried onward to an offsite stormwater swale. In its response dated January 4, 2023, PCCI submitted that the release occurred due to a process equipment automation failure and PCCI has undertaken a review of the process automation system to correct the fault and as preventive measures periodic checks will be undertaken and the emergency scrubber knockout pot will be redesigned. PCCI also responded to queries confirming that it has complied with the requirements in relation to annual report filing. PCCI confirmed that it has not received any further correspondence from PADEP in this matter.
3. Piramal Critical Care B.V. (“PCC B.V”) has received a sanction letter in April 2021 from Spanish Agency of Medicines and Medical Devices (“AEMPS”) for not supplying Hypnomidate in Spain for a period commencing from the end of May 2019 till June 2019, which coincided with the transfer of the marketing authorization in Spain from Janssen to PCC B.V. Thereafter, PCC B.V exchanged couple of responses with AEMPS in this matter, wherein PCC B.V had laid out the facts and circumstances that resulted in the delay in supplying Hypnomidate during the said period. However, AEMPS rejected the responses and passed a final order on June 9, 2021 (“Order”) and imposed a penalty of ₹1.64 crore* on PCC B.V. PCC B.V challenged the Order before the Central Contentious-Administrative Court as per the administrative law procedure of Spain on July 20, 2021, which was subsequently denied by the Central Contentious-Administrative Court and thereafter, an appeal was filed before the Audiencia Nacional on September 29, 2022. The matter is currently pending.
*1EUR = ₹90.82 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited).
4. Piramal Pharma Solutions, Inc. (“PPSI”) received a notice of violation dated June 22, 2023, from the Lexington Division of Water Quality as a result of a report of acetone exceeding the daily effluent limit from a sample taken on May 17, 2023. PPSI has via its reply dated July 12, 2023, responded to the notice, stating that PPSI does not maintain an inventory of acetone at the manufacturing facility. PPSI has indicated to the Lexington Division of Water Quality that it believes the formation of acetone may be due to the oxidization of substances used in the cleaning agents used in the production area. PPSI has also informed the Lexington Division of Water Quality that it has made changes in its collection and use of cleaning agents to decrease the potential of the oxidation taking place leading to formation of acetone.

Litigation by our Subsidiaries

Criminal Proceedings

Nil

Civil Proceedings

Civil proceedings below the Materiality Threshold

Nil

Civil proceedings that are non-quantifiable but otherwise deemed material

Nil

Tax Claims

Nature of case	Number of cases	Amount involved (in ₹ crore)*
<i>Litigation involving our Company</i>		
Direct Tax	5	45.88
Indirect Tax	93	93.85
<i>Litigation involving our Promoter</i>		
Direct Tax	1	3.07
Indirect Tax	Nil	Nil
<i>Litigation involving our Directors</i>		
Direct Tax	2	0.02
Indirect Tax	Nil	Nil
<i>Litigation involving our Subsidiaries</i>		
Direct Tax	13	1.83 [#]

Nature of case	Number of cases	Amount involved (in ₹ crore)*
Indirect Tax	3	Nil

* To the extent quantifiable.

1R = ₹4.63 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited), 1\$ = ₹82.005 based on exchange rate as of July 26, 2023 (Source: Greenback Advisory Services Private Limited).

Material taxation matters

1. Our Company has filed an appeal dated October 20, 2022 (“**Appeal**”) and additional grounds of appeal dated January 20, 2023, before the Commissioner of Income-tax (Appeals) - National Faceless Appeal Centre, New Delhi against the intimation dated September 22, 2022 (“**Intimation**”) issued under Section 143(1) of the Income-tax Act, 1961 (“**IT Act**”), by the Central Processing Center, Income Tax Department on denial of the computation of taxable income and tax liability as per taxation regime under Section 115BAA of the IT Act on the return of income filed by our Company for AY 2021-22. Our Company has contended that the assessment officer has erred in *inter alia* (a) not computing the taxable income of our Company in accordance with the provisions of Section 115BAA of the IT Act and computed the same as per the old regime under MAT taxation provisions, (b) separately taxing the income and disallowing the MSME interest, (c) disallowance of expenditure of capital nature and in the nature of penalty/ fine and (d) levying interest under Sections 234B and 234C of the IT Act. The amount of disputed demand is ₹45.24 crore. Our Company, in this Appeal, has prayed for directing the assessment officer to recompute the total income and tax liability of our Company as per the new regime of taxation under Section 115BAA of the IT Act. This matter is currently pending.
2. Our Company (*being the transferee of the pharma business of Piramal Enterprises Limited*) has filed an appeal (“**Appeal**”) before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad against the Commissioner CGST & CEX, Ahmedabad North Commissionerate (“**Commissioner**”) under Section 86(1) of the Finance Act, 1994, challenging the order dated August 2, 2021 (“**Order**”) passed by the Commissioner. The Commissioner *vide* the Order demanded the service tax of ₹4.74 crore and imposed a penalty of ₹4.74 crore, along with interest, under Section 78 of the Finance Act, 1994, alleging *inter alia* non-compliance of the conditions of the Special Economic Zones Act, 2005 (“**SEZ Act**”) and held that our Company has wrongly and illegally availed exemption in respect of services received by our Company in the SEZ unit. In the present Appeal, our Company has prayed for setting aside the Order and contended that (a) our Company has claimed the exemption by complying with the provisions of the SEZ Act and (b) show cause notice issued by the Commissioner raising the demand is barred by limitation. This matter is currently pending.
3. The Office of the Commissioner of Customs, Central Excise & Service Tax, Hyderabad (“**Commissioner**”) issued a show-cause notice dated August 6, 2013 (“**SCN**”) to our Company (*being the transferee of the pharma business of PEL*) demanding an amount of ₹3.77 crore, being the differential duty on the goods cleared to our Company’s own units on stock transfer during the period from July 2008 to March 2013, under the provisions of the Central Excise Act, 1944. The SCN was issued for non-inclusion of additional duty of customs levied under Section 3(5) of the Customs Tariff Act, 1975 (“**SAD**”) in respect of stock transfer of goods to our Company’s sister units where no value-added tax has been paid. The said demand was further confirmed by the Commissioner *vide* its order dated February 10, 2014 (“**Order**”). Thereafter, our Company filed an appeal before the Customs Excise and Service Tax Appellate Tribunal, Bangalore (“**CESAT**”) challenging the Order. The CESAT *vide* its order dated September 4, 2015 (“**CESAT Order**”) set aside the Order and held that in case of inter-unit stock transfers of the final product, the demand of SAD cannot be held sustainable even though no VAT or sales tax was paid on such transactions. Aggrieved by the CESAT Order, the Commissioner has filed a memorandum of central excise appeal (“**Appeal**”) dated March 15, 2016 before the High Court of Judicature at Hyderabad under Section 35(G) of the Central Excise Act, 1944 challenging the CESAT Order. This matter is currently pending.

Further, the Office of the Commissioner of Central Tax, Central Excise and Service Tax has also issued show-cause notices dated July 14, 2017 and August 30, 2018 demanding ₹3.32 core (for the period from September 2015 to March 2017) and ₹0.53 crore (for the period from April 2017 to June 2017), respectively, for non-inclusion of SAD element to aggregate of customs duties while calculating the duty payable on stock transfer of goods to sister units by our Company. Pursuant to orders by the Commissioner, these show-cause notices will be adjudicated after the outcome of the above Appeal.

4. The Office of the Joint Commissioner, Central Excise and Customs, Manikbag Palace, Indore, Madhya Pradesh (“**Commissioner**”) issued a show-cause notice dated January 4, 2010 (“**SCN**”), to our Company (*being the transferee of the pharma business of PEL*), for allegedly availing premature cenvat credit and not paying duty as required under Rule 8(3A) of the Central Excise Rules, 2002. Pursuant to the SCN, the Commissioner asked our Company to show cause as to why *inter alia* (i) an amount of ₹25.79 crore paid from the credit account during the period February 2007 to November 4, 2009, should not be disallowed as the same had been wrongly utilized for payment of duty, and (ii) a penalty should not be imposed under Rule 15(2) of the Cenvat Credit Rules, 2004 read with Section 11AC of the Central Excise Act, 1944. Our Company *vide* its letter dated May 5, 2010 responded to the SCN *inter alia* that (a) wrong utilization of credit does not tantamount to short payment of duty, and (b) the penalty under Section 11AC of the Central Excise Act, 1944 is not leviable. The matter is currently pending.

Other Regulatory Correspondences

Our Non-Executive Independent Director, Jairaj Manohar Purandare was an independent director of a private sector bank, namely RBL Bank Limited (“**RBL**”) from September 16, 2011 till September 15, 2019. He received a summons dated September 27, 2022 from SEBI under Section 11C(3) of the Securities and Exchange Board of India Act, 1992 seeking his co-operation in relation to an investigation by SEBI in the matter of trading by certain other entities in the scrip of the RBL. He submitted his response to the aforementioned summons along with the information sought by SEBI on October 10, 2022 and there has been no subsequent correspondence from or with SEBI in relation to this matter thereafter.

Outstanding dues to Creditors

As of March 31, 2023, our Company has 3,972 creditors, and the aggregate outstanding dues to these creditors by our Company are ₹1,192.71 crore.

Details of outstanding dues owed to micro, small and medium enterprises and other creditors as of March 31, 2023, are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ crore)
Micro, Small and Medium Enterprises	594	32.52
Other Creditors	3,378	1,160.19
Total	3,972	1,192.71

Material Developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 323, there have not arisen, since the date of the Restated Condensed Consolidated Financial Information disclosed in this Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

Disclosure Pertaining to Wilful Defaulter(s) or Fraudulent Borrower(s)

Our Company, our Promoter, and our Directors have not been categorized or identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

GOVERNMENT AND OTHER APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority pertaining to objects of the Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 70 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meetings held on February 8, 2023 pursuant to Section 62(1)(a) of the Companies Act.

The Draft Letter of Offer was approved by our Board pursuant to its resolution dated March 24, 2023 and by the Committee of Directors (Rights Issue) pursuant to its resolution dated March 28, 2023. This Letter of Offer has been approved by our Board pursuant to its resolution dated July 27, 2023. The Committee of Directors (Rights Issue), in its meeting held on July 27, 2023, has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at the Issue Price of ₹81 per Rights Equity Share (including a premium of ₹71 per Rights Equity Share) and Rights Entitlement as 5 Rights Equity Share for every 46 Equity Shares held on the Record Date aggregating up to ₹1,050 crore. The Issue Price is ₹81 per Rights Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to their letters dated April 3, 2023 and March 31, 2023, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group, our Directors and person(s) in control of our Promoter or our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, the Promoter, and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Except for Jairaj Manohar Purandare, who is associated with HDFC AMC Limited which is registered with SEBI as a mutual fund, portfolio manager and Category II AIF, none of our Directors are associated with entities operating in the securities market. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market, in the past five years.

Neither our Promoter nor any of our Directors are declared fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been identified or categorized as Wilful Defaulter(s) or Fraudulent Borrower(s).

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, pursuant to Clause (2) of Part B of Schedule VI to the SEBI ICDR Regulations our Company is undertaking the Issue in compliance with Part B-1 of Schedule VI of the SEBI ICDR Regulations.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of the Promoter Group are in compliance with the requirements of the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Letter of Offer.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company will make applications to the Stock Exchanges for in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, BEING ICICI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2023, WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALIZING THE DRAFT LETTER OF OFFER DATED MARCH 28, 2023 PERTAINING TO THE ISSUE;**
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (a) THE DRAFT LETTER OF OFFER FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**
 - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID. – COMPLIED WITH TO THE EXTENT APPLICABLE**
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE**
- (5) WRITTEN CONSENT FROM THE PROMOTER OF THE COMPANY HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. – NOT APPLICABLE**
- (6) ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. – NOT APPLICABLE**

- (7) ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. – NOT APPLICABLE
- (8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE
- (9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. – COMPLIED WITH TO THE EXTENT APPLICABLE
- (10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
- (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING SR EQUITY SHARES; AND – COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES)
- (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI. – COMPLIED WITH
- (11) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. – NOTED FOR COMPLIANCE
- (12) IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS. – NOT APPLICABLE

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT AND THIS LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Letter of Offer and this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Eligible Equity Shareholders who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible

Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in the Draft Letter of Offer and this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares. The Lead Manager and its respective affiliates may engage in transactions with and perform services for our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or affiliates, for which they have received and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated April 3, 2023, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- *Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or*
- *Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- *Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/35037 dated March 31, 2023 permission to the Issuer to use the Exchange's name in this Letter of Offer as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

This Letter of Offer is being filed with the Stock Exchanges and the SEBI as per the provisions of the SEBI ICDR Regulations. Further, in terms of the SEBI ICDR Regulations, our Company will simultaneously while filing this Letter of Offer with the Designated Stock Exchange, do an online filing, through the SEBI intermediary portal at siportal.sebi.gov.in in terms of the SEBI ICDR Master Circular.

Listing

The Rights Equity Shares offered through this Letter of Offer are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Rights Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Details of our listed NCDs

S. No.	Name of the issuer	Stock Exchange	ISIN	Scrip Code	Amount (In ₹ crores)	Date of Redemption
1.	Piramal Pharma Limited	BSE Limited	INE0DK507034	974277	100.00	October 3, 2025

Consents

Consents in writing of (a) each of our Directors, Legal Counsel to our Company as to Indian Law, the Lead Manager, Registrar to the Issue, Statutory Auditor, have been obtained, and such consents have not been withdrawn up to the time of delivery of this Letter of Offer; of (b) Banker to the Issue will be obtained and filed along with a copy of this Letter of Offer with the RoC as required under Sections 26 and 32 of the Companies Act, 2013.

Experts

Our Company has received consents from its Statutory Auditors, Deloitte Haskins & Sells LLP through its letter dated July 27, 2023 to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Restated Consolidated Financial Information and the examination report dated July 27, 2023 thereon and such consent has not been withdrawn as on the date of this Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received consent from Bansi S. Mehta & Co., Chartered Accountants, to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the statement of possible special tax benefits available to our Company, our Shareholders and our Material Subsidiaries and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has received written consent dated July 27, 2023, from M/s. Mayur Khandelwal & Co., Chartered Accountants, to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has received written consent dated July 27, 2023, from the independent chartered engineer, namely Narendra Prasad (registration number: LM 62583), to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated July 27, 2023, certifying the capacity utilization for our development and manufacturing facilities included under “*Our Business – Manufacturing Operations*” on page 146 of this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has also received written consent dated July 27, 2023, from Dr. Ramesh M. Gidwani, as intellectual property consultant to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of their certificate dated July 27, 2023, in relation to the patent, trademark, copyright and design filings and registrations of our Company and its Subsidiaries in India and jurisdictions outside India where our Company and Subsidiaries operate, and such consent has not been withdrawn as on the date of this Letter of Offer.

Our Company has also received written consent dated July 27, 2023, from NUVO Consultancy as regulatory consultant for product registrations to include their name in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of their certificate dated July 27, 2023, in relation to the product filings, and registrations and

Drug Master Files of our Company and its Subsidiaries in India and jurisdictions outside India where our Company and its Subsidiaries operate, and such consent has not been withdrawn as on the date of this Letter of Offer.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue in the preceding five years.

Stock Market Data of Equity Shares of our Company

For stock market data, see “*Market Price Information*” beginning on page 346.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders’ Relationship Committee which meets at least once every year and as and when required. Its terms of reference include considering and resolving grievances of shareholders. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” beginning on page 366.

The contact details of Registrar to the Issue and Share Transfer Agent and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue and Share Transfer Agent

Link Intime India Private Limited

C-101, 1st Floor, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai 400 083

Maharashtra, India

Tel: +91 810 811 4949

E-mail: ppl.rights@linkintime.co.in

Investor Grievance ID: ppl.rights@linkintime.co.in

Contact Person: Sumeet Deshpande

Website: www.linkintime.co.in

SEBI Registration No.: INR000004058

URL of SEBI Website: <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

Company Secretary and Compliance Officer

Tanya Sanish is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Tanya Sanish

Ground Floor, Piramal Ananta

Agastya Corporate Park

Kamani Junction, LBS Marg, Kurla

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SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in the Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in the Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

The Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the RBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI ICDR Master Circular, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/;
- (ii) the Registrar at www.linkintime.co.in;
- (iii) the Lead Manager i.e. ICICI Securities Limited at www.icicisecurities.com; and
- (iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

This Letter of Offer is being provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S

UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “- *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 379.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “- *Grounds for Technical Rejection*” on page 375. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 370.

▪ ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company at www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

▪ ***Making of an Application through the ASBA process***

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, their directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Lead Manager, the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (g) Do not submit multiple Applications.

▪ ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. In such cases of non-receipt of the Application Form

through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source, may make an Application that is available on the website of the Registrar, Stock Exchanges, Lead Manager, along with the requisite Application Money, to subscribe to the Issue on plain paper with the same details as per the Application Form that is available online. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Piramal Pharma Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹81 per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “*Restrictions on Purchases and Resales*” on page 393, and shall include the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration

*requirements of the U.S. Securities Act. I/ we understand the Rights Entitlements (including their credit) and the Rights Equity Shares referred to in this application are being offered and sold in “offshore transactions” only outside the United States as defined in and in reliance on with Regulation S under the U.S. Securities Act (“**Regulation S**”) to existing shareholders and located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements (including their credit) for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements ((including their credit) in the United States. I/ we confirm that I am/we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 393 of the Letter of Offer.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

▪ ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post,

courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;

- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 370.

In accordance with the SEBI ICDR Master Circular, Resident Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “- *Basis of Allotment*” on page 386.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 370.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (e) Applications should not be submitted to the Banker to the Issue or our Company or the Registrar or the Lead Manager.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application.

Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.
- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (n) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (o) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.
- (p) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

▪ ***Grounds for Technical Rejection***

Applications made in the Issue are liable to be rejected on the following grounds:

- (a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make application in the Issue.

- (t) IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.
- (u) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- (v) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (w) The Allotment Advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- (x) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

▪ **Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, as applicable, and such Applications shall not be treated as multiple applications. Further, supplementary applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- *Procedure for Applications by Mutual Funds*” on page 378.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter or any member of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in “*General Information – Minimum Subscription*” on page 61.

▪ ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities/ centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share

warrants, provided that the aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Wednesday, August 16, 2023, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- *Basis of Allotment*” on page 386.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/ unblocked in the respective bank accounts from which Application Money was received/ ASBA Accounts of the Investor within a period of four days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

▪ *Rights Entitlements*

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as applicable,, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE0DK520011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (*i.e.* https://linkintime.co.in/EmailReg/Email_Register.html). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "LIPL PPL RIGHTS 2023 ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are

unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by Friday, August 11, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/ lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹81 per Rights Equity Share (including premium of ₹71 per Rights Equity Share) shall be payable on Application.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE0DK520011 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from Tuesday, August 8, 2023 to Thursday, August 10, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: INE0DK520011 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE0DK520011, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company in accordance with sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form, as applicable, at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “*The Issue*” beginning on page 55.

▪ ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 5 Equity Share for every 46 Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 10 Equity Shares or not in the multiple of 10, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

For example, if an Eligible Equity Shareholder holds 10 (ten) Equity Shares, such Equity Shareholder will be entitled to 1 (one) Equity Share and will also be given a preferential consideration for the Allotment of one additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 10 Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

▪ ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

▪ ***Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/VK/FIP/4/2022-23 dated April 3, 2023 and from the NSE through letter bearing reference number NSE/LIST/35037 dated March 31, 2023. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 543635) and NSE (Scrip Code: PPLPHARMA) under the ISIN: INE0DK501011. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to the Issue by our Promoter and members of the Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure – Intention and extent of participation by the Promoter and the Promoter Group*” on page 63.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/ restricted by law and as disclosed in this Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. Terms of Payment

The entire amount of the Issue Price of ₹81 per Rights Equity Share shall be payable at the time of Application.

VIII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

▪ ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

▪ ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

▪ ***Notices***

In accordance with the SEBI ICDR Regulations and the SEBI ICDR Master Circular, and MCA General Circular No. 21/2020 dated May 11, 2020, our Company will send through email and speed post, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Marathi language daily newspaper (Marathi also being the regional language in the place where our Registered and Corporate Office is located).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

▪ ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/ Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.linkintime.co.in. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

This Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and

sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 387.

IX. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	MONDAY, AUGUST 7, 2023
ISSUE OPENING DATE	TUESDAY, AUGUST 8, 2023
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS[#]	THURSDAY, AUGUST 10, 2023
ISSUE CLOSING DATE*	WEDNESDAY, AUGUST 16, 2023
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	TUESDAY, AUGUST 22, 2023
DATE OF ALLOTMENT (ON OR ABOUT)	WEDNESDAY, AUGUST 23, 2023
DATE OF CREDIT (ON OR ABOUT)	THURSDAY, AUGUST 24, 2023
DATE OF LISTING (ON OR ABOUT)	MONDAY, AUGUST 28, 2023

[#] Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

^{*} Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, Friday, August 11, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, Monday, August 14, 2023.

X. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to

the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

XI. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment Advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/ unblocked. The unblocking of ASBA funds/ refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XII. PAYMENT OF REFUND

- ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.

- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

- ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XIII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Rights Equity Shares in Dematerialized Form***

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- (a) Tripartite agreement dated August 13, 2022 amongst our Company, NSDL and the Registrar to the Issue; and
- (b) Tripartite agreement dated August 4, 2022 amongst our Company, CDSL and the Registrar to the Issue

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, *etc.*). Allotment Advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment Advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue

XIV. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crore or with both.

XV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of the Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of the Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of the Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XVI. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- (1) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
- (3) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (5) In case of refund/ unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (6) No further issue of securities shall be made till the securities offered through this Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- (7) Adequate arrangements shall be made to collect all ASBA Applications.
- (8) As on date our Company does not have any convertible debt instruments.
- (9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVII. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- 1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- 2. All enquiries in connection with this Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible

Equity Shareholder as mentioned on the Application Form and superscribed “Piramal Rights Issue 2023” on the envelope and postmarked in India) to the Registrar at the following address:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai 400 083

Maharashtra, India

Tel: +91 810 811 4949

E-mail: ppl.rights@linkintime.co.in

Investor Grievance ID: ppl.rights@linkintime.co.in

Contact Person: Sumeet Deshpande

Website: www.linkintime.co.in

SEBI Registration No.: INR000004058

URL of SEBI Website:

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 4918 6200.
4. The Investors can visit following links for the below-mentioned purposes:
 - (a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in;
 - (b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://linkintime.co.in/EmailReg/Email_Register.html;
 - (c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.linkintime.co.in; and
 - (d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: ppl.rights@linkintime.co.in

The Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Subject to conditions specified in the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in “pharmaceuticals” (greenfield), while up to 74% foreign investment under the automatic route is currently permitted in “pharmaceuticals” (brownfield), with approval under the government route for any foreign investment beyond such threshold.

The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants/ Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

The distribution of this Letter of Offer or Application Form and the offering, sale or delivery of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Application Form or any offering material may come are advised to consult with their own legal advisors as to what restrictions may be applicable to them and observe such restrictions. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an address in India.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer was filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction other than India, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer or where any action would be required to be taken to permit the Issue and, in those circumstances, this Letter of Offer or Application Form must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer or Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer and Application Form, that it is either in India or is outside the United States and in compliance with laws of its jurisdiction, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States or any other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under law of such jurisdictions; (ii) does not include the relevant certification set out in the Application Form including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

Australia

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Corporations Act**") and does not purport to include the information required of a disclosure document under the Corporations Act. This Letter of Offer has not been, and will not be, lodged with the Australian Securities and Investments Commission (whether as a disclosure document under the Corporations Act or otherwise). Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this document or otherwise may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Corporations Act

so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Corporations Act.

Any offer for on-sale of the Rights Entitlements and Rights Equity Shares that is received in Australia within 12 months after their issue by the Company is likely to need prospectus disclosure to investors under Part 6D.2 of the Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Corporations Act or otherwise. Any persons acquiring Rights Entitlements and Rights Equity Shares should observe such Australian on-sale restrictions.

The Company is not licensed in Australia to provide financial product advice in relation to the Rights Entitlements and Rights Equity Shares. Any advice contained in this Letter of Offer is general advice only. This Letter of Offer has been prepared without taking account of any investor's objectives, financial situation or needs, and before making an investment decision on the basis of this Letter of Offer, investors should consider the appropriateness of the information in this Letter of Offer, having regard to their own objectives, financial situation and needs. No cooling off period applies to an acquisition of the Rights Entitlements and Rights Equity Shares.

Kingdom of Bahrain

In relation to investors in the Kingdom of Bahrain, the Rights Entitlements and Rights Equity Shares, which are the subject of this Letter of Offer and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the “CBB”) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Letter of Offer does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006). This Letter of Offer and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Rights Entitlements or Rights Equity Shares may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Letter of Offer or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Rights Entitlements or Rights Equity Shares, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Letter of Offer or related offering documents and it has not in any way considered the merits of the Rights Entitlements and Rights Equity Shares offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Letter of Offer and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Letter of Offer. No offer of Rights Entitlements or Rights Equity Shares will be made to the public in the Kingdom of Bahrain and this Letter of Offer must be read by the addressee only and must not be issued, passed to, or made available to the public generally

British Virgin Islands

This Letter of Offer may not be and is not intended to be distributed to individuals in the British Virgin Islands. The Rights Entitlements and Rights Equity Shares are being offered in the British Virgin Islands only to persons resident in the British Virgin Islands solely by virtue of being a company or a limited partnership incorporated or registered in the British Virgin Islands. Any person who is a member of the public in the British Virgin Islands (other than solely by virtue of being a company or a limited partnership incorporated or registered in the British Virgin Islands) or who receives this Letter of Offer in the British Virgin Islands (other than in the case of a person resident in the British Virgin Islands solely by virtue of being a company or a limited partnership incorporated or registered in the British Virgin Islands, at its registered office in the British Virgin Islands) should not act or rely on this Letter of Offer. Each person in the British Virgin Islands subscribing to Rights Entitlements and Rights Equity Shares shall be deemed to represent and warrant that it is a company or a limited partnership incorporated or registered in the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Center

The Rights Entitlements and Rights Equity Shares have not been offered and will not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “DFSA”) rulebook; and

- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.4 of the Conduct of Business (COB) Module of the DFSA rulebook and who are not a natural person.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Rights Entitlements and Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State, except that offers of Rights Entitlements and Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of Lead Manager for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any Rights Entitlements and Rights Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights Entitlements and Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Rights Entitlements and Rights Equity Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

WARNING: This Letter of Offer has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Issue. If you are in any doubt about any of the contents of this Letter of Offer, you should obtain independent professional advice.

This Letter of Offer has not been and will not be approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any Rights Entitlements and Rights Equity Shares other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in this Letter of Offer being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O. No person may issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Rights Entitlements and Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “**Qualified Institutional Investor**”), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to no more than 49 investors (shoninzu muke kanyu), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13,

Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe to the Equity Shares (the “**QII Offer Shares**”), such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Offer Shares other than to another Qualified Institutional Investor.

Kuwait

The Rights Entitlements and Rights Equity Shares have not been authorized or licensed for offering, marketing or sale in Kuwait. The distribution of this Letter of Offer and the offering and sale of the Rights Entitlements and Rights Equity Shares in Kuwait is restricted by law unless all necessary approvals from the Kuwait Capital Markets Authority pursuant to Law No. 7 of 2010, and its executive bylaws (each as amended) together with the various resolutions, regulations, guidance principles and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing, and sale, of the Rights Entitlements and Rights Equity Shares. No private or public offering of the Rights Entitlements or Rights Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Rights Entitlements or Rights Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements and Rights Equity Shares in Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Rights Entitlements and the Rights Equity Shares may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Letter of Offer has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Letter of Offer does not constitute a public offering. This Letter of Offer is for the exclusive use of the person to whom it has been given our Company and is a private concern between our Company and the recipient.

People’s Republic of China

This Letter of Offer has not been and will not be circulated or distributed in the People’s Republic of China, and the Rights Entitlements and Rights Equity Shares may not be offered or sold, and will not be offered or sold, to any person for re-offering or resale, directly or indirectly, to any resident of the People’s Republic of China except pursuant to applicable laws and regulations of the People’s Republic of China. For the purpose of this paragraph, People’s Republic of China does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the securities will be offered pursuant to exemptions under the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the “**SFA**”). Accordingly, this Letter of Offer and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements and Rights Equity Shares may not be circulated or distributed, nor may the Rights Entitlements and Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA,
- (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Rights Entitlements and Rights Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Entitlements and Rights Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- a. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- b. where no consideration is or will be given for the transfer;
- c. where the transfer is by operation of law;
- d. as specified in Section 276(7) of the SFA; or
- e. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore – The Company has determined, and hereby notifies all persons (including all relevant persons (as defined in Section 309A(1) of the SFA)) that the Rights Entitlements and Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

In relation to the United Kingdom, no Rights Entitlements and Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority, except that offers of Rights Entitlements and Rights Equity Shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation:

- a. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of Lead Manager for any such offer; or
- c. in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Shares shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to any Rights Entitlements and Rights Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights Entitlements and Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Rights Entitlements and Rights Equity Shares, and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and the expression “FSMA” means the Financial Services and Markets Act 2000.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Rights Entitlements and Rights Equity Shares to be offered pursuant to the Issue have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the “UAE”) other than in compliance with any laws applicable in the UAE governing the issue, offering or sale of securities.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the Rights Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

RESTRICTIONS ON TRANSFER

Each purchaser by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf

of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
2. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
3. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
4. Without limiting the generality of the foregoing, the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and the Rights Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.
5. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it in India and inviting it to participate in this Issue.
6. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
7. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
8. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company’s business and our Company’s most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes “**Exchange Information**”), and that it has had access to such

information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

9. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the “**Information**”), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
10. The purchaser will not hold our Company, the Lead Manager or its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.
11. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Manager, for all or part of any such loss or losses it may suffer.
12. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.
13. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.
14. The purchaser (i) is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Equity Shares are, located outside the United States and eligible to subscribe for Rights Entitlements and Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Equity Shares in an “offshore transaction” meeting the requirements of Regulation S under the U.S. Securities Act.
15. The purchaser, and the person, if any, for whose account or benefit it is acquiring the Rights Entitlements and/or the Rights Equity Shares, was located outside the United States at the time (i) the offer was made to the purchaser and (ii) when the buy order for the Rights Entitlements and/or the Rights Equity Shares was originated and continues to be located outside the United States and has not purchased the Rights Entitlements and/or the Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements or the Rights Equity Shares or any economic interest therein to any person in the United States.
16. The purchaser acknowledges that the Rights Entitlement and the Rights Equity Shares may not be offered, resold, pledged or transferred with in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.
17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Equity Shares are, entitled to subscribe for the Equity Shares, and the sale of the Equity Shares to it will not require any filing

or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

18. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
19. The purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
20. The purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate.
21. The purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts”(as defined in Regulation S under the U.S. Securities Act) in the United States with respect to the Equity Shares.
22. The purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold.
23. The purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.
24. Upon a proposed sale, transfer, assignment, pledge or other disposition of the Equity Shares, we will notify any purchaser of such Equity Shares, the executing broker and any other agent of the transferor involved in selling the Equity Shares, as applicable, of the transfer restrictions set forth in this Application Form that are applicable to the Equity Shares being sold and will require the broker and such other agent, as applicable, to comply with such restrictions.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material, have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days and will also be available at the website of our Company at <https://www.piramal.com/investor/piramal-pharma-limited/shareholder-information/rights-issue/> from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated March 28, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated March 27, 2023 between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated July 27, 2023 between our Company, the Lead Manager, Registrar and the Banker to the Issue.
4. Monitoring Agency Agreement dated July 27, 2023 between our Company and the Monitoring Agency.

B. Material Documents

1. Certificate of Incorporation dated March 4, 2020 issued by RoC.
2. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.
3. Consents of the Directors, Company Secretary and Compliance Officer, Lead Manager, Banker to the Issue, Legal Counsel to our Company as to Indian Law and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.
4. Consents from the Statutory Auditors, Deloitte Haskins & Sells LLP to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Restated Consolidated Financial Information and the examination report dated July 27, 2023 issued thereon. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
5. Consent from Bansi S. Mehta & Co., Chartered Accountants, to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of statement of possible special tax benefits dated July 27, 2023 included in this Letter of Offer.
6. Consent dated July 27, 2023, from M/s. Mayur Khandelwal & Co., to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
7. Consent dated July 27, 2023, from the independent chartered engineer, namely Narendra Prasad (registration number: LM 62583), to include his name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
8. Consent dated July 27, 2023, from Dr. Ramesh M. Gidwani, as intellectual property consultant to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
9. Our Company has also received written consent dated July 27, 2023, from NUVO Consultancy as regulatory consultant for product registrations to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
10. The Restated Consolidated Financial Information and the examination report thereon, dated July 27, 2023.
11. Resolution of our Board of Directors dated February 8, 2023 in relation to the Issue and other related matters.
12. Resolution of the Board of Directors dated March 24, 2023 and Committee of Directors (Rights Issue) dated March 28, 2023 approving and adopting the Draft Letter of Offer.
13. Resolution of the Board of Directors dated July 27, 2023 approving and adopting this Letter of Offer.

14. Resolution of the Committee of Directors (Rights Issue) dated July 27, 2023 in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement Ratio.
15. Statement of possible special tax benefits dated July 27, 2023 from Bansilal S. Mehta & Co., Chartered Accountants, included in this Letter of Offer, available to our Company, our Shareholders and our Material Subsidiaries.
16. Annual Report of our Company for the Financial Year 2022.
17. Composite scheme of arrangement between our Company, PEL, CCPL, HPPL and PFPL and their respective shareholders and creditors, for (i) transfer by way of demerger of all businesses, undertakings, activities, operations and properties of PEL, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the pharmaceutical business of PEL; (ii) amalgamation of CCPL and HPPL, being wholly-owned subsidiaries of our Company into our Company; and (iii) amalgamation of PFPL, being a wholly-owned subsidiary of PEL, into PEL, pursuant to order of the National Company Law Tribunal, Mumbai, dated August 12, 2022.
18. Order of the National Company Law Tribunal, Mumbai, dated August 12, 2022 approving the Scheme.
19. Report titled “*Assessment of global and Indian pharmaceutical market*” prepared by CRISIL issued in January, 2023, read with the supplementary report titled “*Assessment of global and Indian pharmaceutical market*” issued in June, 2023 and consent letter dated July 17, 2023 issued by CRISIL in respect of such report.
20. Engagement letter dated February 14, 2023 entered into between our Company and CRISIL for appointment of CRISIL.
21. Due diligence certificate dated March 28, 2023 addressed to SEBI from the Lead Manager.
22. In-principle listing approvals dated March 31, 2023 and April 3, 2023 issued by NSE and BSE, respectively.
23. Tripartite agreement dated August 13, 2022 amongst our Company, NSDL and the Registrar to the Issue.
24. Tripartite agreement dated August 4, 2022 amongst our Company, CDSL and the Registrar to the Issue.
25. SEBI observation letter number SEBI/CFD/RAC-DIL1/P/OW/2023/27988/1 dated July 12, 2023.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nandini Ajay Piramal

Chairperson and Executive Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Peter Daniel DeYoung

Executive Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vivek Valsaraj

Executive Director and Chief Financial Officer

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Neeraj Bharadwaj

Non-Executive Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nathalie Ann Leitch

Non-Executive Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Jairaj Manohar Purandare

Non-Executive Independent Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Peter Andrew Stevenson

Non-Executive Independent Director

Date: July 27, 2023

Place: Fort Lauderdale, Florida

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ramadorai Subramanian

Non-Executive Independent Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sridhar Gorthi

Non-Executive Independent Director

Date: July 27, 2023

Place: Mumbai

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India, or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the SEBI Act, or rules made or guidelines or regulations issued there under, as the case may be.

I further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vibha Paul Rishi

Non-Executive Independent Director

Date: July 27, 2023

Place: Mumbai