

March 25, 2023

BSE Limited
P.J. Towers, Dalal Street, Fort,
Mumbai 400 001
BSE scrip code: 543635

National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Bandra
(East), Mumbai – 400 051
NSE symbol: PPLPHARMA

Sub: Intimation pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”)

Dear Sir/Madam,

Kindly refer to our letter dated February 8, 2023.

This is further to the meeting of the board of directors of the Company (the “**Board**”) held on February 8, 2023 approving the issuance of equity shares on a rights basis to the eligible existing shareholders of the Company (“**Issue**”).

We wish to inform you that the Board, at its meeting on March 24, 2023, has *inter alia* considered and approved the following:

- a. Restated Consolidated Financial Information of the Company for the financial years ended March 31, 2022 and March 31, 2021 and the draft examination report thereon;
- b. Unaudited Interim Condensed Consolidated Financial Information of the Company for the nine months period ended December 31, 2022 and December 31, 2021 along with the auditors’ review report thereon.

Copies of the above are enclosed herewith.

This intimation is issued in terms of Regulation 30 of the SEBI Listing Regulations.

You are requested to kindly take the same on record.

For Piramal Pharma Limited

Tanya Sanish
Company Secretary
Encl.: a/a

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 profit in its associates and joint venture, which comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31, 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 year ended March 31, 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 March 24, 2023 for the purpose of inclusion in the Draft Letter of Offer (the "DLOF") 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 Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DLOF 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 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;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

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- 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 year ended March 31, 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, 2022 and June 01, 2021 respectively.
5. For the purpose of our examination, we have relied on reports issued by us dated May 24, 2022 and June 01, 2021 on the consolidated financial statements of the Group as at and for the year ended March 31, 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 year ended March 31, 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 year/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:

(Rs in crores)

| Particulars | 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 | Eight | Eight |
| Total assets | 8,370.14 | 7,743.94 |
| Total revenue | 3,195.46 | 3,024.33 |
| Net cash inflows/ (outflows) | (157.46) | (34.99) |

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 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, 2022;
- b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

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- 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 an associate for the year ended March 31, 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 year/period is tabulated below, the financial statements of these subsidiaries/ associate 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 are based solely on such unaudited financial statements.

(Rs in crores)

| Particulars | 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 | Eleven | Ten |
| Number of associates | Two | One |
| Total assets | 4,669.24 | 4,171.21 |
| Total revenue | 604.98 | 404.65 |
| Net cash inflows/ (outflows) | 38.11 | 9.01 |
| Groups' share of net profit in its associate | 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 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, 2022;
- 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.
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.

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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 DLOF 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)



Rupen K. Bhatt
(Membership No. 046930)
(UDIN:23046930BGXRJH6728)

Place: Goa
Date: March 24, 2023

PIRAMAL PHARMA LIMITED
Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022

| Particulars | Note No. | As at | As at |
|--|----------|------------------|------------------|
| | | March 31, 2022 | March 31, 2021 |
| | | Rs. in Crores | Rs. in Crores |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 3 | 2,864.07 | 2,636.56 |
| (b) Capital Work in Progress | 55 | 673.15 | 399.53 |
| (c) Goodwill | 38 | 1,030.50 | 856.47 |
| (d) Other Intangible Assets | 3 | 2,806.09 | 2,482.28 |
| (e) Intangible Assets under development | 56 | 499.19 | 227.12 |
| (f) Right Of Use Assets | 52 | 178.52 | 130.18 |
| (g) Financial Assets: | | | |
| (i) Investments | | | |
| - Investments accounted for using the equity method | 4(a) | 179.82 | 109.67 |
| - Other Investments | 4(b) | 36.95 | 13.00 |
| (ii) Other Financial Assets | 5 | 95.57 | 70.93 |
| (h) Deferred tax assets (Net) | 6 | 297.27 | 244.12 |
| (i) Other non-current assets | 7 | 68.69 | 81.22 |
| Total Non-Current Assets | | 8,729.82 | 7,251.08 |
| Current Assets | | | |
| (a) Inventories | 8 | 1,388.80 | 1,232.00 |
| (b) Financial Assets: | | | |
| (i) Investments | 4(b) | 50.40 | - |
| (ii) Trade receivables | 9 & 53 | 1,785.28 | 1,574.94 |
| (iii) Cash & Cash equivalents | 10 | 228.10 | 384.65 |
| (iv) Bank balances other than (iii) above | 11 | 100.89 | 20.97 |
| (v) Other Financial Assets | 12 | 50.85 | 112.06 |
| (c) Other Current Assets | 13 | 462.90 | 324.08 |
| Total Current Assets | | 4,067.22 | 3,648.70 |
| Total Assets | | 12,797.04 | 10,899.78 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 14 | 1,185.91 | 994.60 |
| (b) Share warrants | 14 | - | 0.10 |
| (c) Other equity | 15 | 5,510.69 | 4,610.30 |
| Total equity | | 6,696.60 | 5,605.00 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | 16 | 2,622.14 | 2,339.16 |
| (ii) Lease liability | 52 | 86.20 | 93.41 |
| (iii) Other Financial Liabilities | 17 | 0.40 | - |
| (b) Provisions | 18 | 12.59 | 6.78 |
| (c) Deferred tax liabilities (Net) | 19 | 192.01 | 222.49 |
| (d) Other Non-Current Liabilities | 20 | 153.76 | 142.66 |
| Total Non-Current Liabilities | | 3,067.10 | 2,804.50 |
| Current liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | 21 | 1,401.14 | 571.03 |
| (ii) Lease liability | 52 | 18.44 | 21.49 |
| (iii) Trade payables | | | |
| Total outstanding dues of Micro enterprises and small enterprises | | 49.45 | 28.24 |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises | 54 | 976.90 | 889.70 |
| (iv) Other Financial Liabilities | 22 | 259.03 | 722.87 |
| (b) Other Current Liabilities | 23 | 222.91 | 185.75 |
| (c) Provisions | 24 | 33.81 | 31.78 |
| (d) Current Tax Liabilities (Net) | 25 | 71.66 | 39.42 |
| Total Current Liabilities | | 3,033.34 | 2,490.28 |
| Total Liabilities | | 6,100.44 | 5,294.78 |
| Total Equity & Liabilities | | 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 - 72

Summary of significant accounting policies

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In terms of our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants



Rupen K. Bhatt

Partner

Membership Number: 046930

Place - Goa

Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal

Chairperson

DIN: 00286092

Place - Mumbai

Date - March 24, 2023



Vivek Valsaraj

Chief Financial Officer

Place - Mumbai

Date - March 24, 2023



Tanya Sanish

Company Secretary

Place - Mumbai

Date - March 24, 2023

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

| Particulars | Note No. | For the year ended | For the period |
|--|----------|--------------------|---------------------------------|
| | | March 31, 2022 | March 4, 2020 to March 31, 2021 |
| | | Rs. in Crores | Rs. in Crores |
| Revenue from operations | 27 | 6,559.10 | 6,314.90 |
| Other Income (Net) | 28 | 275.80 | 164.11 |
| Total Income | | 6,834.90 | 6,479.01 |
| Expenses | | | |
| Cost of materials consumed | 29 | 1,566.96 | 1,518.08 |
| Purchases of Stock-in-Trade | 30 | 829.07 | 593.77 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 31 | 55.21 | (52.74) |
| Employee benefits expense | 32 | 1,588.83 | 1,467.74 |
| Finance costs | 33 | 198.25 | 163.45 |
| Depreciation and amortization expense | 3 & 52 | 586.18 | 545.04 |
| Other expenses | 34 | 1,569.37 | 1,360.09 |
| Total Expenses | | 6,393.87 | 5,595.43 |
| Restated Profit before share of net profit of associates and joint ventures, exceptional items and tax | | 441.03 | 883.58 |
| Share of restated net profit of associates and joint ventures | 4 (a) | 59.03 | 47.24 |
| Restated Profit after share of net profit of associates and joint ventures before exceptional items and tax | | 500.06 | 930.82 |
| Exceptional Items | 35 | (15.08) | 18.23 |
| Restated Profit after share of net profit of associates and joint ventures and before tax | | 484.98 | 949.05 |
| Less: Income Tax Expense | | | |
| Current Tax | 49 | 191.13 | 116.34 |
| Deferred Tax Credit | 49 | (82.11) | (2.32) |
| Restated Profit for the year/ period | | 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 | | | |
| (a) Remeasurement of Post Employment Benefit Obligations | | 0.40 | (3.29) |
| Income Tax Impact on above | | (0.07) | 0.82 |
| | | 0.33 | (2.47) |
| B. Items that will be reclassified to profit or loss | | | |
| (a) Deferred gains on cash flow hedge | | 8.39 | 7.81 |
| (b) Exchange differences on translation of financial statements of foreign operations | | 97.58 | 114.11 |
| (c) Gain on bargain purchase | | - | 7.43 |
| Income Tax Impact on above | | (7.56) | (0.33) |
| | | 98.41 | 129.02 |
| Other Comprehensive Income (OCI) for the year/period, net of tax expense | | 98.74 | 126.55 |
| Restated Total Comprehensive Income for the year/period, net of tax expense | | 474.70 | 961.58 |
| Restated Earnings per equity share (Basic) (Rs.) (Face value of Rs. 10/- each) | 42 | 3.19 | 13.30 |
| Restated Earnings per equity share (Diluted) (Rs.) (Face value of Rs. 10/- each) | 42 | 3.19 | 13.30 |

The above Restated Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes 1-72

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Rupen K. Bhatt
Partner
Membership Number: 046930
Place - Goa
Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN: 00286092
Place - Mumbai
Date - March 24, 2023



Vivek Valsaraj
Chief Financial Officer
Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary
Place - Mumbai
Date - March 24, 2023

Piramal Pharma Limited
Restated Consolidated Statement of Cash flows for the year ended March 31, 2022

| | For the year ended March 31, 2022 Rs. in Crores | For the period March 04, 2020 to March 31, 2021 Rs. in Crores |
|--|---|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before share of net profit of associates and joint ventures, exceptional items and tax | 441.03 | 883.58 |
| Less : Profit for the period March 4, 2020 to October 05, 2020, net off dividend from associates | - | (243.90) |
| | 441.03 | 639.68 |
| Adjustments for : | | |
| Depreciation and amortisation expense | 559.71 | 462.36 |
| Provision written back | (60.13) | (1.72) |
| Finance Costs considered separately | 198.25 | 163.45 |
| Fair valuation of Financial assets | (21.18) | 0.86 |
| Amortisation of grants & Other deferred income | (39.53) | (28.75) |
| Gain on additional stake in Convergence | - | (26.31) |
| Interest Income on Financial assets | (0.68) | (4.02) |
| IndAS 116 non cash impact | 26.47 | - |
| (Gain)/Loss on Sale of Property Plant and Equipment | 0.54 | (21.08) |
| Profit on Sale on Current Investment (Net) | (1.95) | - |
| Write-down of Inventories | 45.18 | 36.11 |
| Expected Credit Loss on Trade Receivables | 7.44 | 2.75 |
| Unrealised foreign exchange loss | 72.98 | 138.34 |
| Operating Cash Flow Before Working Capital Changes | 1,228.13 | 1,361.67 |
| Adjustments For Changes In Working Capital : | | |
| Adjustments for (increase) / decrease in operating assets | | |
| - Trade receivables | (185.17) | (515.45) |
| - Other Current Assets | (118.14) | (4.38) |
| - Other Non Current Assets | 8.93 | (29.80) |
| - Other Financial Assets - Non Current | (24.20) | (45.65) |
| - Inventories | (175.64) | (89.26) |
| - Other Financial Assets - Current | 52.02 | (85.27) |
| Adjustments for increase / (decrease) in operating liabilities | | |
| - Trade Payables | 79.12 | 145.54 |
| - Non - Current provisions | 4.87 | (30.23) |
| - Other Current Financial Liabilities | 37.90 | (31.39) |
| - Other Current Liabilities | 17.39 | 72.84 |
| - Current provisions | 1.60 | 17.93 |
| - Other Non-current Financial Liabilities | (6.28) | 4.31 |
| - Other Non-current Liabilities | 15.31 | (28.77) |
| Cash Generated from Operations | 935.84 | 742.09 |
| - Taxes Paid (Net of Refunds) | (169.42) | (144.51) |
| Net Cash Generated from Operating Activities | 766.42 | 597.58 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for Purchase of Property Plant and Equipment / Intangible Assets | (889.51) | (602.19) |
| Proceeds from Sale of Property Plant and Equipment / Intangible Assets | 32.42 | - |
| Purchase of Current Investments (Net) | (48.45) | - |
| Purchase of Non Current Investments | (2.74) | (5.57) |
| Interest Received | 0.68 | 4.02 |
| Payment for purchase of pharma business | - | (3,710.00) |
| Maturity of deposit | (79.64) | (17.78) |
| Dividend received (net of TDS of Rs. 9.07 crores) | 81.59 | 49.00 |
| Investment in Associate | (101.77) | - |
| 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 | (1,812.10) | (4,479.93) |

Piramal Pharma Limited
Restated Consolidated Statement of Cash flows for the year ended March 31, 2022

| | For the year ended March 31, 2022 | For the period March 04, 2020 to March 31, 2021 |
|--|--|--|
| | Rs. in Crores | Rs. in Crores |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Non - Current Borrowings | | |
| - Receipts | 903.83 | 1,677.68 |
| - Payments | (237.95) | (1,666.00) |
| Proceeds from Current Borrowings | | |
| - Receipts | 1,349.72 | 869.08 |
| - Payments | (996.47) | (1,145.96) |
| Lease payments | | |
| - Principal | (30.43) | (3.79) |
| - Interest | (5.73) | (4.44) |
| Rights issue proceeds | - | 785.00 |
| Receipt from issue of equity shares | - | 3,448.41 |
| Finance Costs Paid | (138.78) | (159.00) |
| Dividend Paid | (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 | 794.19 | 3,976.83 |
| Net Increase/ (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)] | (251.49) | 94.48 |
| Cash and Cash Equivalents as at Opening | 261.97 | 151.95 |
| Add: Effect of exchange fluctuation on cash and cash equivalents | (2.04) | 4.22 |
| Add: Cash balance acquired | 76.74 | 11.32 |
| Cash and Cash Equivalents as at Closing | 85.18 | 261.97 |
| Cash and Cash Equivalents Comprise of : | | |
| Cash on Hand | 0.09 | 0.13 |
| Bank Overdraft | (142.92) | (122.67) |
| Balance with Scheduled Banks in Current Accounts | 205.60 | 384.51 |
| Cheques in hand | 22.41 | - |
| | 85.18 | 261.97 |

Note

- On October 01, 2021, the Company had allotted 9,657,423 equity shares of face value Rs. 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited amounting to Rs. 592 crores.
- On October 01, 2021, the Company had allotted 3,988,262 equity shares of face value Rs. 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to Rs. 75 crores.
- On October 04, 2021, the Company had issued 177,665,757 equity shares as bonus shares to the existing shareholders in the ratio 5.674:1
- During the previous period, the Company had issued 1,06,71,651 fully paid equity shares with face value of Rs. 10 each and carrying security premium of Rs. 163.36 per share, aggregating to Rs. 185 crores in exchange for 1,00,000 fully paid equity share of Rs. 10 each of Piramal Healthcare Inc. having a carrying value of Rs 86.44 crores, acquired pursuant to agreement for purchase of Pharma business entered into between the Company and Piramal Enterprises Limited (Refer note 63(B)(iii)).

The above Restated Consolidated Statement of Cash flow should be read in conjunction with the accompanying notes 1-72

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Rupen K. Bhatt
Partner
Membership Number: 046930
Place - Goa
Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN:00286092
Place - Mumbai
Date - March 24, 2023



Vivek Valsaraj
Chief Financial Officer
Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary
Place - Mumbai
Date - March 24, 2023

PIRAMAL PHARMA LIMITED
Restated Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital (Refer Note 14):

| Particulars | Rs. in Crores |
|--|-----------------|
| 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 |

B. Share warrants:

| Particulars | Rs. in Crores |
|-------------------------------------|---------------|
| Balance as at March 04, 2020 | - |
| Issued during the period | 0.10 |
| Balance as at March 31, 2021 | 0.10 |
| Lapsed during the year | (0.10) |
| Balance as at March 31, 2022 | - |

C. Other Equity:

(Rs. in Crores)


| Particulars | Notes | Attributable to the owners of Piramal Pharma Limited | | | | | Other equity |
|--|-------|--|-----------------|-------------------|--------------------------------------|---------------------------|-----------------|
| | | Reserves & Surplus | | | Other Items in OCI | | |
| | | 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 | 15 | - | - | 835.03 | - | - | 835.03 |
| Other Comprehensive Income/(Loss), net of tax expense for the period | | - | - | (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 |

| Particulars | Notes | Attributable to the owners of Piramal Pharma Limited | | | | | Other equity |
|---|-------|--|-----------------|-------------------|--------------------------------------|---------------------------|-----------------|
| | | Reserves & Surplus | | | Other Items in OCI | | |
| | | Securities Premium | Capital Reserve | Retained Earnings | Foreign Currency Translation Reserve | Cash Flow Hedging Reserve | |
| Balance as at April 1, 2021 | | 3,249.49 | 406.66 | 832.56 | 115.71 | 5.88 | 4,610.30 |
| Profit after tax for the year | 15 | - | - | 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 (Refer note 14) | | 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 |

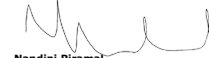
The above Restated Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes 1-72

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants


Rupen K. Bhatt
Partner
Membership Number: 046930
Place - Goa
Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN: 00286092
Place - Mumbai
Date - March 24, 2023


Vivek Valsaraj
Chief Financial Officer
Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary
Place - Mumbai
Date - March 24, 2023

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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.

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

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

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

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, 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, 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 Draft Letter of Offer and the Letter of Offer (collectively, 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, 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, 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.

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 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the year ended March 31, 2022.

(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 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.

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 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

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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

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

b) **Associates:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but 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.

c) **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.

d) **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 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

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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 financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

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

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

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

iv) (a) **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 Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 / 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

(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 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.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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.

(v) (b) **Goodwill**

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Goodwill is carried at cost less accumulated impairment losses.

vi) **Impairment of Assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or 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 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.

vii) **Financial instruments**

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

Investments and Other Financial assets

Classification:

The Group classifies its financial assets in the following measurement categories:

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

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

For assets measured at fair value, gains and losses will 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 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 Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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.

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:

- 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 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.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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.

viii) **Trade Receivables**

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

ix) **Inventories**

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

x) **Employee Benefits**

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(iii) Post-employment obligations

The 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.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

x i) **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.

x ii) **Revenue recognition**

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

Sale of goods: Revenue from the sale of goods is recognised when the 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.

x iii) **Foreign Currency Transactions**

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the 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.

x iv) **Exceptional Items**

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

x v) **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.

x vi) **Leases**

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.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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.

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.

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 balance sheet.

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.

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**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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 balance sheet.

xxv) **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.

xxvi) **Going Concern**

When preparing financial information, management makes an assessment of the Company's ability to continue as going concern. Financial information is prepared on going concern basis unless management either intends to liquidate the Company 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 Company'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 Company is not regarded as going concern.

xxvii) **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 Company may provide a disclosure in the financial information considering the nature of the transaction.

2b. Critical accounting judgements and key sources of estimation uncertainties

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

i) **Estimation of uncertainty relating to COVID-19 global health pandemic:**

In assessing the recoverability of receivables, 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. Also refer note 3, 9, 38, 46(a), 51.

ii) **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.

iii) **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.

iv) **Deferred Taxes**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

v) **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.

vi) **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.

Piramal Pharma Limited

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

3. Property Plant & Equipment and Intangible assets

(Rs. In crores)

| Particulars | GROSS CARRYING AMOUNT | | | | | | ACCUMULATED DEPRECIATION | | | | | NET CARRYING AMOUNT | |
|---|------------------------------|---------------------------------|---------------|-------------------------|---------------------|--------------------------|------------------------------|------------------|-------------------------|---------------------|--------------------------|------------------------------|----------------------|
| | Opening as at April 01, 2021 | Acquisition refer note 63(A)(i) | Additions | Deductions/ Adjustments | Exchange Difference | As at March 31, 2022 (A) | Opening as at April 01, 2021 | For the period # | 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 | 0.00 | 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**

Rs. in crores

| Asset Class | Asset Description | 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 to 30 years |

Depreciation for the period includes depreciation amounting to Rs. 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.

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

3. Property Plant & Equipment and Intangible assets

(Rs. In crores)

| Particulars | GROSS CARRYING AMOUNT | | | | | | ACCUMULATED DEPRECIATION | | | | | NET CARRYING AMOUNT |
|---|--|---|---------------|-------------------------|---------------------|--------------------------|--|------------------|-------------------------|---------------------|--------------------------|------------------------------|
| | Balances Acquired as at March 04, 2020 refer note 63(B)(iii) | Acquisition 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) | As at March 31, 2021 (A)-(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**

| Asset Class | Asset Description | Rs. in crores | |
|--|-----------------------|--------------------------------------|--|
| | | Carrying Amount as at March 31, 2021 | 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 Rs. 9.12 Crores on assets used for Research and Development locations at Ennore and Mumbai.

+ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

@ 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.

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022
4 (a) Investments accounted for using the equity method

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | Quantity | (Rs. in crores) | Quantity | (Rs. 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) | | - | 3,57,05,100 | 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) |
| | | <u>-</u> | | <u>0.00</u> |
| Total (A) | | - | | 0.00 |
| B. In Associates : | | | | |
| I Unquoted - At Cost: | | | | |
| i. Allergan India Private Limited | | | | |
| Interest as at April 01, 2021 (Previous period - March 04, 2020 to March 31, 2021) | 39,20,000 | 109.67 | 39,20,000 | 191.67 |
| Add - Share of profit for the year | | 59.07 | | 42.54 |
| Add - Share of other comprehensive income for the year/period | | * | | * |
| Less - Dividend received | | (90.65) | | (124.54) |
| | | <u>78.09</u> | | <u>109.67</u> |
| ii. Yapan Bio Private Limited (refer note 37(c)(ii)) | | | | |
| Interest as at April 01, 2021 | | - | | - |
| Add - Investment during the year | 1,00,000 | 101.77 | | - |
| Add - Share of profit for the period | | (0.04) | | - |
| Add - Share of other comprehensive income for the year | | * | | - |
| | | <u>101.73</u> | | <u>-</u> |
| Total (B) | | 179.82 | | 109.67 |
| Total equity accounted investments (A+B) | | 179.82 | | 109.67 |

Aggregate carrying value of unquoted investments

179.82

109.67

* below rounding off norms adopted by the Group

4 (b) Investments

| Non-Current Investments: | | | | |
|---|----------------------|-----------------|----------------------|-----------------|
| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
| | (Rs. in crores) | | (Rs. in crores) | |
| Investments in Equity Instruments and (other bodies corporate) (fully paid-up) | | | | |
| Unquoted - At FVTPL: | | 36.95 | | 13.00 |
| Current Investments: | | | | |
| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
| | Quantity | (Rs. in crores) | Quantity | (Rs. in crores) |
| Investments in Equity Instruments (fully paid-up) | | | | |
| Unquoted - At FVTPL: | | 13.39 | | - |
| Investments in Mutual fund | | | | |
| Quoted - At FVTPL: | | | | |
| Kotak Overnight Fund Growth - Direct | 1,94,100 | 22.01 | - | - |
| UTI Overnight Fund - Direct Growth Plan Growth | 51,550 | 15.00 | - | - |
| Total | | 50.40 | | - |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

| Particulars | As at March 31, 2022 Rs. in Crores | As at March 31, 2021 Rs. in Crores |
|--|--|--|
| 5 Other Financial Assets - Non - Current | | |
| Unbilled revenue # | 75.06 | 58.18 |
| Security Deposits | 20.51 | 12.75 |
| | 95.57 | 70.93 |
| <p># Classified as financial asset as right to consideration is unconditional upon passage of time.</p> | | |
| 6 Deferred Tax Assets (Net) | | |
| (a) Deferred tax assets on account of temporary differences | | |
| - Unused tax credits / losses | 302.16 | 221.05 |
| - Property, Plant and Equipment and Intangible assets | - | 6.45 |
| - Unrealised profit margin on inventory | 7.17 | 20.65 |
| - Other temporary differences | 2.85 | 1.34 |
| | 312.18 | 249.49 |
| (b) Deferred tax liabilities on account of temporary differences | | |
| - Property, Plant and Equipment and Intangible assets | 4.36 | - |
| - Other temporary differences | 10.55 | 5.37 |
| | 14.91 | 5.37 |
| | 297.27 | 244.12 |
| <p>Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws. Refer Note 49 for movements during the year.</p> | | |
| 7 Other Non Current Assets | | |
| Advance Tax [Net of Provision of Rs. 100.07 Crores at March 31, 2022, (Previous period Rs. NIL)] | 15.53 | 14.78 |
| Advances recoverable | 49.08 | 48.58 |
| Prepayments | 0.04 | 0.04 |
| Capital Advances | 4.04 | 17.82 |
| | 68.69 | 81.22 |
| 8 Inventories | | |
| Raw and Packing Materials [includes in Transit of Rs. 21.15 Crores as on March 31, 2022, (Previous period Rs. 0.24 Crores)] | 598.96 | 448.73 |
| Work-in-Progress | 322.40 | 318.13 |
| Finished Goods | 97.95 | 132.54 |
| Stock-in-trade [includes in Transit of Rs. 4.43 Crores as on March 31, 2022, (Previous period Rs. 3.84 Crores)] | 246.09 | 254.38 |
| Stores and Spares | 123.40 | 78.22 |
| | 1,388.80 | 1,232.00 |
| <p>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 Rs. 2,555.22 Crores (Previous period Rs. 2,158.97 crores) 3. The cost of inventories recognised as an expense includes a reversal of Rs. 0.07 Crores (Previous period: charge of Rs. 0.37 Crores) in respect of write downs of inventory to net realisable value and a charge of Rs. 47.02 crores (Previous period Rs. 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.</p> | | |
| 9 Trade Receivables | | |
| Unsecured | | |
| (a) Considered Good | 1,790.70 | 1,579.16 |
| Less: Expected Credit Loss on (a) | (5.42) | (4.22) |
| (b) Credit Impaired | 49.10 | 43.10 |
| Less: Expected Credit Loss on (b) | (49.10) | (43.10) |
| | 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.

The Group has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience, adjusted for forward looking information including the likelihood of increased credit risk considering emerging situations due to COVID-19. Based on external sources of information the group has concluded that the carrying amount of the trade receivables represent the Group's best estimate of the recoverable amounts'. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as under:

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

| Ageing - Pharmaceuticals Manufacturing and Services business | Expected credit loss (%) - For external customers |
|--|---|
| Less than 365 days | 0.30% |
| More than 365 days | 100.00% |

| Ageing | Rs. in crores | |
|-----------------|--|--|
| | Expected credit loss As at March 31, 2022 | Expected credit loss As at March 31, 2021 |
| Within due date | 1.90 | 4.90 |
| After Due date | 52.62 | 42.42 |

Movement in Expected Credit Loss Allowance:

| Particulars | Year ended March 31, 2022 | Rs. In crores Period ended March 31, 2021 |
|--|------------------------------|---|
| Balance at the beginning of the year | 47.32 | 35.28 |
| Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 7.54 | 12.35 |
| Less: Bad debts written off | (0.10) | (0.15) |
| Add: Effect of translation differences | (0.24) | (0.16) |
| Balance at the end of the year | 54.52 | 47.32 |

Refer Note 53 for ageing of Trade Receivables

Refer Note 41 for the receivables hypothecated as security against borrowings.

| | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|-------------------------|-------------------------|
| 10 Cash & Cash equivalents | | |
| Balance with Banks | | |
| Current Account | 205.60 | 384.52 |
| Cheques in hand | 22.41 | - |
| Cash on Hand | 0.09 | 0.13 |
| | 228.10 | 384.65 |

| | | |
|--|---------------|--------------|
| 11 Other Bank Balance | | |
| Earmarked balances with banks | | |
| - Others | 91.35 | 12.23 |
| Margin Money | 5.62 | 5.62 |
| Deposit Account more than 3 months original maturity but less than 12 months | 3.92 | 3.12 |
| | 100.89 | 20.97 |

| | | |
|--|--------------|---------------|
| 12 OTHER FINANCIAL ASSETS - CURRENT | | |
| Security Deposits | 4.93 | 4.87 |
| Derivative Financial Assets | 7.48 | 17.07 |
| Other Receivable from related parties | 12.38 | 40.21 |
| Unbilled revenues # | 23.33 | 33.18 |
| Interest Accrued | 0.29 | 0.16 |
| Others* | 2.44 | 16.57 |
| | 50.85 | 112.06 |

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

*In previous period, it mainly included insurance claim of Rs. 6.42 Crores toward fire at ennore plant.

| | | |
|-------------------------------------|---------------|---------------|
| 13 OTHER CURRENT ASSETS | | |
| Unsecured and Considered Good | | |
| Advances | 132.39 | 87.50 |
| Prepayments | 69.55 | 62.66 |
| Balance with Government Authorities | 259.44 | 169.59 |
| Claims Receivable | 1.52 | 4.33 |
| | 462.90 | 324.08 |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

As at
March 31, 2022
Rs. in Crores

As at
March 31, 2021
Rs. in Crores

14 Equity Share Capital

Authorised Share Capital

| | | |
|--|-----------------|-----------------|
| 1,50,00,00,000 (Previous period: 1,50,00,00,000) equity shares of Rs. 10/- each | 1,500.00 | 1,500.00 |
| 10,00,00,000 (Previous period: 10,00,00,000) compulsorily convertible preference shares of Rs. 10/- each | 100.00 | 100.00 |
| | 1,600.00 | 1,600.00 |

Issued, Subscribed & Paid Up Capital

| | | |
|---|-----------------|---------------|
| 1,18,59,13,506 (Previous period: 99,46,02,064) equity shares of face value of Rs. 10/- each fully paid. | 1,185.91 | 994.60 |
| | 1,185.91 | 994.60 |

(i) **Movement in Equity Share Capital**

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|-----------------------|-----------------|----------------------|---------------|
| | No. of shares | Rs. in Crores | No. of shares | Rs. in Crores |
| At the beginning of the year | 99,46,02,064 | 994.60 | 10,000 | 0.01 |
| Add: Issued during the period | | | | |
| Rights Issue - Piramal Enterprises Limited | - | - | 78,50,00,000 | 785.00 |
| Preferential Issue - Piramal Enterprises Limited | 96,57,423 | 9.65 | 1,06,71,651 | 10.67 |
| Preferential Issue - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) | 39,88,262 | 3.99 | 19,89,20,413 | 198.92 |
| Bonus Shares - Piramal Enterprises Limited | 14,19,10,732 | 141.91 | - | - |
| Bonus Shares - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) | 3,57,55,025 | 35.76 | - | - |
| At the end of the year | 1,18,59,13,506 | 1,185.91 | 99,46,02,064 | 994.60 |

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|-----------|----------------------|-----------|
| | No. of shares | % Holding | No. of shares | % Holding |
| Piramal Enterprises Limited | 94,72,49,806 | 79.88% | 79,56,81,651 | 80.00% |
| CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) | 23,86,63,700 | 20.12% | 19,89,20,413 | 20.00% |

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

| Particulars | Financial Year | No. of shares |
|--|----------------|---------------|
| Allotment of equity shares of face value Rs. 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited. | 2021-22 | 96,57,423 |
| Allotment of equity shares of face value Rs. 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments). Refer note 21. | 2021-22 | 39,88,262 |
| Allotment of equity shares of face value of Rs.10 each as bonus shares to the existing shareholders in the ratio 5.674:1 | 2021-22 | 17,76,65,757 |
| Allotment of equity shares of face value Rs. 10 each fully paid-up in lieu of transfer of stake held by Piramal Enterprises Limited in Piramal Healthcare Inc. to the Company | 2020-21 | 1,06,71,651 |

(iv) **Terms and Rights attached to equity shares**

Equity Shares:

The Company has one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend if declared by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(v) **Share Warrants:**

| | Rs. in Crores |
|---|---------------|
| Balance as at March 04, 2020 | - |
| Issued during the period (10,00,00,000 share warrants having face value Rs. 10/- each were issued to Piramal) | 0.10 |
| Balance as at March 31, 2021 | 0.10 |
| Lapsed during the year | (0.10) |
| Balance as at March 31, 2022 | - |

(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, 2022

| Promoter Name | No. of shares | %of total shares | % Change during the year |
|-----------------------------|---------------|------------------|--------------------------|
| Piramal Enterprises Limited | 94,72,49,806 | 79.88% | 0.12% |

Shares held by promoters at the end of the year as at March 31, 2021

| Promoter Name | No. of shares | %of total shares | % Change during the year |
|-----------------------------|---------------|------------------|--------------------------|
| Piramal Enterprises Limited | 79,56,81,651 | 80.00% | Not Applicable |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

| | As at March 31, 2022 Rs. in Crores | As at March 31, 2021 Rs. in Crores |
|--|--|--|
| 15 Other Equity | | |
| Capital Reserve (Refer note 63(B)(i) & 63(B)(iii)) | 406.66 | 406.66 |
| Securities premium (Securities Premium is on account of issue of equity shares. The reserve will utilised in accordance with the provision of the Companies Act, 2013.) | 3,725.18 | 3,249.49 |
| Retained Earnings | 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 (Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.) | 207.91 | 115.71 |
| Cash Flow Hedging Reserve (The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to 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))) | 12.09 | 5.88 |
| | 5,510.69 | 4,610.30 |

On November 10, 2021, interim dividend of Rs. 0.42 per equity share (Face value of Rs. 10/- each) amounting to Rs. 50 Crores was paid to holders of fully paid equity shares. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT) hence DDT is not applicable.

On May 24, 2022, final dividend of Rs. 0.56 per equity share (face value of Rs. 10/- each) amounting to Rs. 67 Crores has been recommended by the Board of Directors which is subject to approval of the shareholders.

Refer Statement of Changes in Equity for movement in reserves.

16 Non-Current Borrowings

Secured - at amortized cost

| | | |
|---|-----------------|-----------------|
| (i) Term Loan From Banks & Financial Institutions | 277.97 | 34.77 |
| - Rupee Loans | 2,145.02 | 2,304.39 |
| - Others | 199.15 | - |
| (ii) Redeemable Non Convertible Debentures | 2,622.14 | 2,339.16 |

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

| A. Secured Term Loans from Banks, Financial Institutions & Others | | (Rs. In Crores) | (Rs. In Crores) |
|--|--|---|---|
| Nature of Security | Terms of repayment | 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 lump 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 quarterly instalments from June 2022 with lump 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 60 monthly instalments from June 2019 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 8.81 | 10.45 |
| Corporate Guarantee by PEL 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 | 506.10 | 511.81 |
| PCCUK-Charge on brands acquired on exclusive basis | Repayable in 13 quarterly instalments of \$ 5.29 Mn starting March 2022, followed by a lumpsum payment of \$ 46.23 Mn in June 2025 | 831.46 | 840.80 |
| Corporate Guarantee by PEL 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 | 289.20 | 292.46 |
| First pari passu on entire property, plant and equipment of borrower, present and future. First charge on CA of borrower, present and future | Repayable in 20 Quaterly instalments from Feb 2019 | 35.00 | 54.45 |
| First pari passu on entire property, plant and equipment of borrower, present and future. Secon First peri passu charge on CA of borrower, present and future | Repayable in 30 Quaterly instalments from Dec 2022 | 17.57 | - |
| First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets. | Repayable on May 31, 2023 | 500.00 | - |

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 2.79% [LIBOR+2.60%] to 7.70 % per annum (Previous period: 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 accounts.

Refer Note 41 for assets hypothecated/mortgaged as securities against the Secured Borrowings

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

| B. Redeemable Non Convertible Debenture | | (Rs. In Crores) | |
|--|---|---|---|
| Nature of Security | Terms of repayment | Principal Outstanding as at March 31, 2022 | Principal Outstanding as at March 31, 2021 |
| First pari- passu charge over pool of selected tangible and intangible assets. | The amount of Rs. 200 Crores is redeemable at par in equal annual repayment at the end of 3rd, 4th and 5th year from the date of drawdown with a put and call option at the end of 3 years and 4 years. | 200.00 | - |

The rate for the above debentures is 7.50% per annum. (Previous period: NIL)
Refer Note 41 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

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.

| | | | |
|--|---|-------------------------|-------------------------|
| 17 Other Financial Liabilities | Contingent consideration at FVTPL (Refer Note 63(A)) | 0.40 | 0.00 |
| | | 0.40 | 0.00 |
| 18 NON-CURRENT PROVISIONS | Provision for employee benefits (Refer note 39) Provision for Onerous contracts* | 12.51 0.08 | 6.70 0.08 |
| | | 12.59 | 6.78 |
| | *Refer Note 47 for movement during the period | | |
| 19 Deferred tax liabilities (Net) | (a) Deferred Tax Assets on account of temporary differences | | |
| | - Unused tax credits / losses | 17.40 | 18.83 |
| | - Expenses that are allowed on payment basis | 74.63 | 15.05 |
| | - Remeasurement of defined benefit obligation | 0.72 | 0.82 |
| | - Recognition of lease rent expense | 0.22 | 0.07 |
| | - Expected Credit Loss on Trade Receivables | 0.99 | 0.24 |
| | - Other temporary differences | 0.05 | 0.05 |
| | | 94.01 | 35.06 |
| | (b) Deferred Tax Liabilities on account of temporary differences | | |
| | - Property, Plant and Equipment and Intangible assets | 281.45 | 252.96 |
| | - Fair value measurement of derivative contracts | 1.76 | 4.30 |
| | - Measurement of financial liabilities at amortised cost | 0.07 | 0.14 |
| | - Other temporary differences | 2.74 | 0.15 |
| | | 286.02 | 257.55 |
| | Deferred Tax Liabilities (Net) | 192.01 | 222.49 |
| | Refer Note 49 for movements during the year. | | |
| 20 Other Non-Current Liabilities | Deferred Government grant related to assets Other grants related to assets Deferred Revenue | 3.29 107.73 42.74 | 1.95 107.17 33.54 |
| | | 153.76 | 142.66 |
| 21 Current Borrowings | Secured - at amortised cost | | |
| | Loans from banks | | |
| | - Working Capital Demand Loan | 307.44 | 84.87 |
| | - Overdraft with banks (including PCRE & PCFC) | 309.51 | 173.88 |
| | Unsecured - at amortised cost | | |
| | Loans from banks | | |
| | - Repayable on demand | 15.16 | 14.70 |
| | Compulsory Convertible Preference Shares (CCPS) at Rs. 10 each * | - | 75.00 |
| | Loans from Related Parties | 3.04 | 3.08 |
| | Overdraft with banks | 23.61 | 8.99 |
| | Current maturities of long-term debt | 742.38 | 210.51 |
| | | 1,401.14 | 571.03 |

| Description of loan | Terms of repayment | Rate of Interest |
|--|---------------------------|--------------------------|
| Secured Loans: | | |
| Working capital Demand Loan | At Call | 2.15% to 6.75% per annum |
| Overdraft with banks | At Call | 2.1% per annum |
| Others (PCRE) | At Call | 4.50% to 5.01% per annum |
| Unsecured Loans: | | |
| Loans from Banks (Repayable on demand) | At Call | 1.64% to 4.25% per annum |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

A. Working capital Demand Loan and Overdraft

| Nature of Security | Terms of repayment | (Rs. In crores) | |
|---|--|--|--|
| | | 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 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 | - |
| 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 | 39.79 | - |
| Secured by first priority perfected security interest in and lien on trade receivables 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 |

B. Packing Credit loan

| Nature of Security | Terms of repayment | (Rs. In crores) | |
|--|---------------------------------|--|--|
| | | Principal Outstanding as at March 31, 2022 | Principal Outstanding as at March 31, 2021 |
| 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 Rs. 10 each were allotted to CA Alchemy.

22 Other Financial Liabilities

| | | |
|---|---------------|---------------|
| Payable to related parties | 0.01 | 0.22 |
| Employee related liabilities. | 142.79 | 125.55 |
| Contingent consideration at FVTPL (Refer Note 63(A)(i)) | 89.51 | - |
| Capital Creditors | 2.96 | 2.25 |
| Retention money | 0.35 | 0.25 |
| Security Deposits Received | 2.65 | 2.60 |
| Other payables (Refer Note 40) | 20.76 | 592.00 |
| | 259.03 | 722.87 |

23 Other Current Liabilities

| | | |
|---|---------------|---------------|
| Advance From Customers | 106.34 | 71.78 |
| Deferred Revenue | 45.02 | 47.46 |
| Deferred Government grant related to assets | 0.25 | 0.25 |
| Statutory Dues | 37.47 | 36.94 |
| Other grants related to assets | 33.83 | 29.32 |
| | 222.91 | 185.75 |

24 CURRENT PROVISIONS

| | | |
|---|--------------|--------------|
| Provision for employee benefits (Refer Note 39) | 33.81 | 31.78 |
| | 33.81 | 31.78 |

25 Current Tax Liabilities (Net)

| | | |
|--|--------------|--------------|
| Provision for Income Tax (Net of advance Tax of Rs. 84.67 crore (Previous period - Rs.100.41 Crores) | 71.66 | 39.42 |
| | 71.66 | 39.42 |

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

| | As at March 31, 2022 (Rs. in Crores) | As at March 31, 2021 (Rs. in Crores) |
|---|---|---|
| 26. Contingent liabilities and Commitments | | |
| A Contingent liabilities: | | |
| 1 Claims against the Company not acknowledged as debts: | | |
| Indemnity given to Navin Fluorine International Limited in relation to service tax matter where company is in appeal | 1.79 | 1.79 |
| Dispute with Telangana Pollution Control Board (TPCB) | 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 | 1.06 | 1.06 |
| Central / State Excise / Service Tax / Customs | 23.76 | 13.38 |
| Labour Matters | 2.17 | 1.10 |
| Stamp Duty | - | 9.37 |
| ii. Unexpired Letters of Credit | 2.36 | 0.28 |
| B Commitments: | | |
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for | 292.15 | 160.61 |
| b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period | 28.37 | 12.96 |

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

| Particulars | For the year ended | For the period |
|--|--------------------|---------------------------------|
| | March 31, 2022 | March 4, 2020 to March 31, 2021 |
| | Rs. in Crores | Rs. in Crores |
| 27. Revenue From Operations | | |
| A. Revenue from contract with customers | | |
| Sale of products | 5,576.88 | 5,369.66 |
| Sale of Services | 853.89 | 900.62 |
| Other operating revenues: | | |
| Miscellaneous income (includes scrap sales, distribution fees, etc)* | 128.33 | 44.62 |
| Total | 6,559.10 | 6,314.90 |

*Previous period includes insurance claim of Rs. 5.39 Crores in respect of ennore fire.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by major product and timing of transfer of goods or services. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2022

| Revenue by product line/ timing of transfer of goods/ services | Rs. in Crores | |
|--|-----------------------------------|---------------|
| | 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 period ended March 31, 2021

| Revenue by product line/ timing of transfer of goods/ services | Rs. in Crores | |
|--|--|---------------|
| | 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 |

Reconciliation of revenue recognised with contract price:

| Particulars | (Rs. in Crores) | |
|--|-----------------------------------|-------------------------------------|
| | For the year ended March 31, 2022 | For the period ended March 31, 2021 |
| Sale of products and services at transaction price | 7,177.49 | 6,958.64 |
| Less: Discounts | (746.72) | (688.36) |
| Revenue recognised on sale of products and services | 6,430.77 | 6,270.28 |

28. Other Income (NET)

| | | |
|---|---------------|---------------|
| Interest Revenue on Financial Assets | | |
| - Loans and Bank Deposits at amortised costs | 0.68 | 4.02 |
| Other Gains & Losses: | | |
| - Gain on acquisition of subsidiary | - | 26.31 |
| - Gain on Sale of Property, Plant and Equipment | 0.00 | 1.14 |
| - Exchange Gain (Net) | 16.86 | 61.27 |
| - Income on instruments mandatorily measured at FVTPL | 21.18 | - |
| Rent Received | 3.48 | 2.19 |
| Miscellaneous Revenue | 171.52 | 62.44 |
| Write back of liabilities no longer payable | 60.13 | 6.74 |
| Profit / Loss on Sale of Investment. | 1.95 | - |
| Total | 275.80 | 164.11 |

29. Cost of materials consumed
Raw and Packing Materials

| | | |
|--|-----------------|-----------------|
| Inventory acquired on business combination (Refer note 63(B)(iii)) | - | 171.75 |
| Opening Inventory | 448.73 | 178.11 |
| Add: Purchases | 1,717.19 | 1,616.95 |
| Less: Closing Inventory | 598.96 | 448.73 |
| Total | 1,566.96 | 1,518.08 |

30. Purchases of Stock-in-Trade

| | | |
|--------------|---------------|---------------|
| Traded Goods | 829.07 | 593.77 |
| Total | 829.07 | 593.77 |

PIRAMAL PHARMA LIMITED

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

| Particulars | For the year ended | For the period |
|---|------------------------|---------------------------------|
| | March 31, 2022 | March 4, 2020 to March 31, 2021 |
| | Rs. in Crores | Rs. in Crores |
| 31. Changes in inventories of finished goods, work-in-progress and stock-in-trade | | |
| Opening Inventory: | | |
| Stock acquired in business acquisition during the year (Refer note 63(A)(i)) | 16.60 | - |
| Work-in-Progress | 318.13 | 394.84 |
| Finished Goods | 132.54 | 112.31 |
| Stock-in-trade | 254.38 | 145.16 |
| | <u>721.65</u> | <u>652.31</u> |
| Less: Closing Inventory : | | |
| Work-in-Progress | 322.40 | 318.13 |
| Finished Goods | 97.95 | 132.54 |
| Stock-in-trade | 246.09 | 254.38 |
| | <u>666.44</u> | <u>705.05</u> |
| Total | <u>55.21</u> | <u>(52.74)</u> |
| 32. Employee benefits expense | | |
| Salaries and Wages (In previous period corporate Expense allocation of INR 25.92 crore pertaining to pharma business was transferred to the Company) | 1,367.67 | 1,241.23 |
| Contribution to Provident and Other Funds (Refer Note 39) | 101.98 | 98.42 |
| Gratuity Expense (Refer Note 39) | 3.81 | 5.12 |
| Staff Welfare | 115.37 | 122.97 |
| Total | <u>1,588.83</u> | <u>1,467.74</u> |
| 33. Finance costs | | |
| Finance Charge on financial liabilities measured at amortised cost | 188.78 | 158.02 |
| Other borrowing costs | 9.47 | 5.43 |
| Total | <u>198.25</u> | <u>163.45</u> |

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

| Particulars | For the year ended | For the period |
|---|--------------------|---------------------------------|
| | March 31, 2022 | March 4, 2020 to March 31, 2021 |
| | Rs. in Crores | Rs. in Crores |
| 34. Other expenses | | |
| Processing Charges | 11.85 | 11.46 |
| Consumption of Stores and Spares Parts | 103.98 | 99.86 |
| Consumption of Laboratory materials | 78.52 | 99.56 |
| Power, Fuel and Water Charges | 163.56 | 136.70 |
| Repairs and Maintenance | | |
| Buildings | 54.39 | 38.38 |
| Plant and Machinery | 140.24 | 124.49 |
| Others | 25.14 | 24.37 |
| Rent | | |
| Premises | 2.91 | 7.86 |
| Other Assets | 25.34 | 20.76 |
| Rates & Taxes includes excise duty | 73.44 | 45.69 |
| Insurance | 42.56 | 36.57 |
| Travelling Expenses | 34.76 | 22.05 |
| Directors' Commission | 0.72 | 0.45 |
| Directors' Sitting Fees | 0.32 | 0.03 |
| Trade Receivables written off | 1.05 | 0.15 |
| Expected Credit Loss on Trade Receivables Refer Note 9 | 7.54 | 12.35 |
| Property, Plant & Equipments Written Off | - | 3.43 |
| Loss due to fire | 0.54 | 5.74 |
| Advertisement and Business Promotion Expenses | 151.33 | 102.73 |
| Donations | 9.61 | 1.52 |
| Freight | 133.11 | 110.46 |
| Export expenses | 1.18 | 2.25 |
| Clearing and Forwarding Expenses | 32.19 | 34.72 |
| Communication and Postage | 12.30 | 14.89 |
| Printing and Stationery | 9.04 | 7.82 |
| Claims | (0.00) | 4.61 |
| Legal Charges | 13.92 | 10.71 |
| Professional Charges | 122.43 | 111.50 |
| Royalty Expense | 46.57 | 46.89 |
| Service Charges (In previous period corporate expense allocation of Rs. 27.42 crores pertaining to pharma business was transferred to the Company) | 53.06 | 65.34 |
| Information Technology Costs | 36.19 | 16.72 |
| R & D Expenses Net | 128.34 | 99.08 |
| Miscellaneous Expenses | 53.24 | 40.95 |
| Total | 1,569.37 | 1,360.09 |

Note

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – Rs. 7.11 Crores (Previous period Rs. Nil Crores)
- Amount of expenditure incurred Rs.7.40 Crores (Previous period: - Rs. Nil)
- Shortfall at the end of the year Rs Nil (previous period - Nil)
- Total of previous period's shortfall Rs. Nil (Previous period - Nil)
- Reason for shortfall - Not Applicable
- Nature of CSR activities - Education programme in Districts of Jharkhand, Chhattisgarh, Uttarakhand, Odisha, Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana. 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

| | | |
|--|----------------|--------------|
| 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 note 63(A) | (15.08) | (45.15) |
| TOTAL | (15.08) | 18.23 |

36. Other Comprehensive Income / (Expense) (Net Of Taxes)

Other Comprehensive Income / (Expense) related to:

| | | |
|--|-------|--------|
| Remeasurement of post-employment benefit obligations (Refer Note 39) | 0.33 | (2.47) |
| Deferred gains / (losses) on cash flow hedges | 6.21 | 5.88 |
| Gain on bargain purchase | - | 7.43 |
| Exchange differences on translation of foreign operations | 92.20 | 115.71 |

TOTAL **98.74** **126.55**

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

37 Interests in other entities

(a) Subsidiaries

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 | Canada | 100% | - | Pharmaceutical manufacturing and services |
| 5 | Piramal Critical Care B.V. | Netherlands | 100% | - | Pharmaceutical manufacturing and services |
| 6 | Piramal Pharma Solutions 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 | 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% | - | Holdinq Company |
| 12 | Piramal Healthcare Inc. | U.S.A | 100% | - | Holdinq Company |
| 13 | Piramal Critical Care, Inc. | 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. | U.S.A | 100% | - | Pharmaceutical manufacturing and services |
| 16 | PEL Pharma Inc. | U.S.A | 100% | - | Holdinq Company |
| 17 | Ash Stevens LLC | U.S.A | 100% | - | Pharmaceutical manufacturing and services |
| 18 | PEL Healthcare LLC | U.S.A | 100% | - | Pharmaceutical manufacturing and services |
| 19 | Convergence Chemicals Private Limited | India | 100% | - | Pharmaceutical manufacturing and services |
| 20 | Hemmo Pharmaceuticals Private Limited (w.e.f June 22, 2021) | India | 100% | - | Pharmaceutical manufacturing and services |
| 21 | Piramal Pharma Japan GK (w.e.f November 21, 2021) | Japan | 100% | - | Pharmaceutical manufacturing and services |

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, 2021 | % voting power held as at March 31, 2021 | |
| 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 | Canada | 100% | - | Pharmaceutical manufacturing and services |
| 5 | Piramal Critical Care B.V. | Netherlands | 100% | - | Pharmaceutical manufacturing and services |
| 6 | Piramal Pharma Solutions 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 | 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% | - | Holdinq Company |
| 12 | Piramal Healthcare Inc. | U.S.A | 100% | - | Holdinq Company |
| 13 | Piramal Critical Care, Inc. | 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. | U.S.A | 100% | - | Pharmaceutical manufacturing and services |
| 16 | PEL Pharma Inc. | U.S.A | 100% | - | Holdinq Company |
| 17 | Ash Stevens LLC | U.S.A | 100% | - | Pharmaceutical manufacturing and services |
| 18 | PEL Healthcare LLC (w.e.f June 26, 2020) | 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 |

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

(b) Interest in Joint Ventures

| Sr. No. | Name of the Company | Principal place of business | Carrying Amount as at (Rs. in Crores) | % of ownership interest | Carrying Amount as at (Rs. in Crores) | % of ownership interest |
|---------|--|-----------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
| | | | March 31, 2022 | | March 31, 2021 | |
| 1 | Convergence Chemicals Private Limited (Convergence) (till February 24, 2021) | India | - | - | - | - |

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 Rs 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 (Rs. in Crores) | % of ownership interest | Carrying Amount as at (Rs. in Crores) | % of ownership interest |
|---------|--|-----------------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
| | | | March 31, 2022 | | March 31, 2021 | |
| 1 | Allergan India Private Limited (Allergan) | India | 78.09 | 49.00% | 109.67 | 49.00% |
| 2 | Yapan Bio Private Limited (Yapan) (w.e.f. December 20, 2021) | India | 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

Significant judgement: classification of associate

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.

Significant financial information for associate

Summarised restated statement of assets and liabilities as at:

| Particulars | (Rs. in Crores) | |
|-------------------------|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Current assets | 214.35 | 255.70 |
| Non-current assets | 37.63 | 46.86 |
| Current liabilities | (86.55) | (66.48) |
| Non-current liabilities | (12.22) | (13.40) |
| Net Assets | 153.21 | 222.68 |

Summarised restated statement of profit and loss for the year / period ended:

| Particulars | (Rs. in Crores) | |
|---------------------------------------|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Revenue | 414.26 | 365.35 |
| Profit for the year/period | 124.62 | 121.23 |
| Other comprehensive income/ (expense) | - | - |
| Total comprehensive income | 124.62 | 121.23 |
| Dividends received | 90.65 | 124.54 |

Reconciliation to carrying amounts as at:

| Particulars | (Rs. in Crores) | |
|--|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Net assets | 153.21 | 222.68 |
| Group's share in % | 49% | 49% |
| Proportion of the Group's ownership interest | 75.07 | 109.11 |
| Others | 3.02 | 0.56 |
| Carrying amount | 78.09 | 109.67 |

Contingent liabilities as at:

| Particulars | (Rs. in Crores) | |
|---|-----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Share of associate's contingent liabilities | | |
| - Claims against the company not acknowledged as debt | 7.12 | 8.84 |
| - Disputed demands for income tax | 1.75 | 1.75 |
| Total contingent liabilities | 8.87 | 10.59 |

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****ii) Yapan Bio Private Limited (YBPL)****Significant judgement: classification of associate**

The Group owns 27.78% 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:**

| (Rs. in Crores) | |
|-------------------------|-----------------------|
| Particulars | March 31, 2022 |
| Current assets | 72.96 |
| Non-current assets | 16.06 |
| Current liabilities | (12.35) |
| Non-current liabilities | (1.38) |
| Net Assets | 75.29 |

Summarised restated statement of profit and loss for the year / period ended:

| (Rs. in Crores) | |
|------------------------|-----------------------|
| Particulars | March 31, 2022 |
| Revenue* | 5.80 |
| Profit for the year* | 0.16 |

*Above information has been disclosed only from the date of investment till March 31, 2022

Reconciliation to carrying amounts as at:

| (Rs. in Crores) | |
|--|-----------------------|
| Particulars | March 31, 2022 |
| Net assets | 75.29 |
| Group's share in % | 27.78% |
| Proportion of the Group's ownership interest | 20.92 |
| Goodwill on acquisition | 80.81 |
| Carrying amount | 101.73 |

Contingent Liability

There are no Contingent liabilities as at March 31, 2022 in Yapan Bio Private Limited.

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

38 Goodwill

Movement in Goodwill on Consolidation during the year / period:

| Particulars | (Rs. in Crores) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Opening balance | 856.47 | 835.21 |
| Add: Addition due to acquisition during the year/period (Refer note 63) | 145.06 | 8.08 |
| Add: Currency translation differences | 28.97 | 13.18 |
| Closing balance | 1,030.50 | 856.47 |

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) the increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

The recoverable amount was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years in the Pharmaceuticals segment were developed using internal forecasts, and a pre-tax discount rate of 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 2.87% to 5% (March 31, 2021: growth rate 5%), depending on the cash generating unit and the country of operations.

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

Based on the above, no impairment was identified as of March 31, 2022 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 are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the 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.

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.

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

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

| Particulars | (Rs. in Crores) | |
|---|-----------------|----------------|
| | Year Ended | Period Ended |
| | March 31, 2022 | March 31, 2021 |
| Employer's contribution to Regional Provident Fund Office | 5.99 | 4.39 |
| Employer's contribution to Superannuation Fund | 0.20 | 0.08 |
| Employer's contribution to Employees' State Insurance | 0.53 | 0.21 |
| Employer's contribution to Employees' Pension Scheme 1995 | 5.21 | 2.24 |
| Contribution to Pension Fund | 48.33 | 49.89 |
| 401 (k) Plan contribution | 31.00 | 29.47 |
| TOTAL | 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)

II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2022 and March 31, 2021

A. Change in Defined Benefit Obligation

| Particulars | (Rs. in Crores) | | | | | |
|--|----------------------|--------------|----------------------|---------------|----------------------|--------------|
| | (Funded) | | | | | |
| | Gratuity | | Pension | | Provident Fund | |
| | Year Ended March 31, | | Year Ended March 31, | | Year Ended March 31, | |
| 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| Present Value of Defined Benefit Obligation as at beginning of the period | 51.37 | - | 704.10 | - | 12.99 | - |
| Acquired through business combination | 2.04 | 0.05 | - | 592.66 | - | - |
| Interest Cost | 3.46 | 1.41 | 9.56 | 12.54 | 5.23 | 0.23 |
| Current Service Cost | 4.43 | 1.06 | - | - | 10.15 | 4.72 |
| Contributions from plan participants | - | - | - | - | 16.81 | 8.14 |
| Liability Transferred In for employees joined | - | 46.63 | - | - | 118.82 | - |
| Benefits Paid | (5.64) | - | (30.44) | (30.20) | (0.88) | - |
| Return on Plan Assets, Excluding Interest Income | - | - | - | - | 6.89 | - |
| Actuarial (Gains)/loss - due to change in Demographic Assumptions | - | (0.39) | - | - | - | - |
| Actuarial (Gains)/loss - due to change in Financial Assumptions | (1.24) | 0.22 | (60.44) | 82.44 | - | - |
| Actuarial (Gains)/loss - due to experience adjustments | 0.49 | 2.39 | - | - | - | (0.10) |
| Exchange Differences on Foreign Plans | - | - | (8.60) | 46.66 | - | - |
| Present Value of Defined Benefit Obligation as at the end of the year | 54.91 | 51.37 | 614.18 | 704.10 | 170.01 | 12.99 |

B. Changes in the Fair Value of Plan Assets

| Particulars | (Rs. in Crores) | | | | | |
|---|----------------------|--------------|----------------------|---------------|----------------------|--------------|
| | (Funded) | | | | | |
| | Gratuity | | Pension | | Provident Fund | |
| | Year Ended March 31, | | Year Ended March 31, | | Year Ended March 31, | |
| 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| Fair Value of Plan Assets as at beginning of the period | 47.51 | - | 877.25 | - | 12.99 | - |
| Interest Income | 3.08 | 1.41 | 11.92 | 15.73 | 5.23 | 0.23 |
| Acquisition through business combination | 0.66 | 0.53 | - | 743.06 | - | - |
| Contributions from employer | 0.15 | - | - | - | 26.96 | 12.86 |
| Assets Transferred In for employees joined | - | 46.63 | - | - | 118.82 | - |
| Benefits Paid from the fund | (5.64) | - | (30.44) | (30.20) | (0.88) | - |
| Return on Plan Assets, Excluding Interest Income | (0.32) | (1.06) | 46.85 | 95.52 | 6.89 | (0.10) |
| Administration cost | - | - | - | (4.66) | - | - |
| Exchange Differences on Foreign Plans | - | - | (10.71) | 58.50 | - | - |
| Fair Value of Plan Asset as at the end of the year | 45.44 | 47.51 | 890.21 | 877.25 | 170.01 | 12.99 |

C. Amount recognised in the restated statement of assets and liabilities

| Particulars | (Rs. in Crores) | | | | | |
|---|-----------------|-------------|-----------------|----------|-----------------|----------|
| | (Funded) | | | | | |
| | Gratuity | | Pension | | Provident Fund | |
| | As at March 31, | | As at March 31, | | As at March 31, | |
| 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| Present Value of Defined Benefit Obligation as at the end of the year | 54.91 | 51.37 | 614.18 | 704.10 | 170.01 | 12.99 |
| Fair Value of Plan Assets As at end of the year | 45.44 | 47.51 | 890.21 | 877.25 | 170.01 | 12.99 |
| Funded Status | - | - | (276.03) | (173.15) | - | - |
| Asset Ceiling | - | - | 276.03 | 173.15 | - | - |
| Effect of currency translations | - | - | - | - | - | - |
| Net Liability recognised in the restated statement of assets and liabilities (Refer Notes 18 and 24) | 9.47 | 3.86 | - | - | - | - |

| Particulars | (Rs. in Crores) | | | | | |
|--|-----------------|------|-----------------|------|-----------------|---|
| | (Funded) | | | | | |
| | Gratuity | | Pension | | Provident Fund | |
| | As at March 31, | | As at March 31, | | As at March 31, | |
| 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| Recognised under: | | | | | | |
| Non Current provision (Refer Note 18) | 9.47 | 3.86 | - | - | - | - |
| Current provision (Refer Note 24) | - | - | - | - | - | - |

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

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

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

| Particulars | (Funded) | | | | | |
|--|----------------------|-------------|----------------------|----------|----------------------|-------------|
| | Gratuity | | Pension | | Provident Fund | |
| | Year Ended March 31, | | Year Ended March 31, | | Year Ended March 31, | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current Service Cost | 4.43 | 1.06 | - | - | 10.15 | 4.72 |
| Net interest Cost | 0.38 | - | - | - | - | - |
| Total Expenses / (Income) recognised in the Statement of Profit And Loss* | 4.81 | 1.06 | - | - | 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 Current Year

| Particulars | (Funded) | | | | | |
|---|----------------------|-------------|----------------------|----------|----------------------|----------|
| | Gratuity | | Pension | | Provident Fund | |
| | Year Ended March 31, | | Year Ended March 31, | | Year Ended March 31, | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions | - | (0.39) | - | - | - | - |
| Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions | (1.24) | 0.22 | (60.44) | - | - | - |
| Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment | 0.49 | 2.39 | - | - | - | - |
| Return on Plan Assets, Excluding Interest Income | 0.32 | 1.06 | 30.44 | - | - | - |
| Change in Asset Ceiling | - | - | 30.00 | - | - | - |
| Net (Income)/Expense For the Period Recognized in OCI | (0.43) | 3.28 | - | - | - | - |

F. Significant Actuarial Assumptions:

| Particulars | (Funded) | | | | | |
|--|-------------------------------|------------------------------|-----------------|------|-----------------|------|
| | Gratuity | | Pension | | Provident Fund | |
| | As at March 31, | | As at March 31, | | As at March 31, | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Discount Rate (per annum) | 6.05% to 6.84% | 6.49 to 6.57 | 1.95 | 1.40 | 6.84 | 6.49 |
| Salary escalation rate | 9% to 10% for 3 years then 6% | 9% for first 3 years then 6% | - | - | NA | - |
| Expected Rate of return on Plan Assets (per annum) | 6.05% to 6.84% | 6.49 to 6.57 | 2.00 | 2.00 | 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.

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

| Particulars | (Rs. in Crores) | |
|---|-----------------|-------------|
| | (Funded) | |
| | Gratuity | |
| | As at March 31, | |
| 2022 | 2021 | |
| Opening Net Liability/(asset) | 3.86 | - |
| Acquisition through business combination | 1.38 | - |
| Expenses Recognized in Statement of Profit or Loss | 4.81 | 1.06 |
| Expenses Recognized in OCI | (0.43) | 3.28 |
| Net Liability/(Asset) Transfer In | - | 46.63 |
| Balance in relation to the discontinued operations | - | - |
| Net asset added on acquisition of subsidiary | - | (0.48) |
| Employer's Contribution | (0.15) | (46.63) |
| Net Liability/(Asset) Recognized in the restated statement of assets and liabilities | 9.47 | 3.86 |

H. Category of Assets

| Particulars | (Rs. in Crores) | | | | | |
|---|-----------------|--------------|-----------------|---------------|-----------------|--------------|
| | Gratuity | | Pension | | Provident Fund | |
| | As at March 31, | | As at March 31, | | As at March 31, | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Government of India Assets (Central & State) | 18.05 | 21.43 | - | - | 79.76 | 5.96 |
| Public Sector Unit Bonds | - | - | 605.34 | 596.53 | - | - |
| Debt Instruments | - | - | - | - | 64.67 | 4.07 |
| Corporate Bonds | 14.74 | 17.82 | - | - | - | - |
| Fixed Deposits under Special Deposit Schemes of Central Government* | 7.23 | 2.81 | - | - | - | - |
| Insurance fund* | 1.08 | - | - | - | - | - |
| Equity Shares of Listed Entities/ Mutual funds | 4.31 | 4.92 | 284.87 | 280.72 | 6.25 | 0.55 |
| Global Equities | - | - | - | - | - | - |
| Others* | 0.03 | 0.53 | - | - | 19.33 | 2.41 |
| Total | 45.44 | 47.51 | 890.21 | 877.25 | 170.01 | 12.99 |

* Except these, all the other investments are quoted.

PIRAMAL PHARMA LIMITED

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

I. Other Details

Funded Gratuity

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Number of Active Members | 3,976 | 3,584 |
| Per Month Salary For Active Members (Rs. In crores) | 11.83 | 10.26 |
| Average Expected Future Service (Years) | 5 to 8 Years | 7 to 8 Years |
| Projected Benefit Obligation (PBO) (Rs. In crores) | 55.44 | 51.91 |
| Prescribed Contribution For Next Year (12 Months) (Rs. In crores) | 20.41 | 8.76 |

J. Cash Flow Projection: From the Fund

| Projected Benefits Payable in Future Years From the Date of Reporting | (Rs. In crores) | |
|---|---|---|
| | Estimated for the year ended March 31, 2022 | Estimated for the period ended March 31, 2021 |
| 1st Following Year | 5.67 | 5.82 |
| 2nd Following Year | 4.45 | 3.82 |
| 3rd Following Year | 5.45 | 4.70 |
| 4th Following Year | 6.16 | 5.08 |
| 5th Following Year | 5.60 | 5.77 |
| Sum of Years 6 To 10 | 27.34 | 25.70 |
| Sum of Years 11 years and above | 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.

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

Weighted average duration of the defined benefit obligation is in the range of 7 - 9 years (Previous period 8 years)

K. Sensitivity Analysis

| Projected Benefit Obligation | (Rs. in crores) | |
|---|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Impact of +1% Change in Rate of Discounting | (3.00) | (3.43) |
| Impact of -1% Change in Rate of Discounting | 3.34 | 3.41 |
| Impact of +1% Change in Rate of Salary Increase | 3.32 | 3.41 |
| Impact of -1% Change in Rate of Salary Increase | (3.03) | (3.05) |
| Impact of +1% Change in Rate of Employee Turnover | 0.05 | (0.05) |
| Impact of -1% Change in Rate of Employee Turnover | -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) has been applied as when calculating the defined benefit liability recognised in the restated 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 Rs. 3.51 crores (Previous period - Rs. 2.88 Crores)

The liability for Leave Encashment (Non - Funded) as at year end is Rs. 32.73 Crores (Previous period Rs. 31.74 Crores)

PIRAMAL PHARMA LIMITED

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

40 Related Party Disclosures

1. List of related parties

A. Holding Company

Piramal Enterprises Limited (PEL)

B. Subsidiaries - Refer Note 37 (a) for list of subsidiaries.

C. Fellow Subsidiaries*

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

D. Other related parties

Entities controlled by Key Management Personnel*:

Piramal Corporate Services Private Limited (PCSL)
Piramal Glass Limited (PGL)
Piramal Glass USA Inc.
PGP Glass Private Limited

*where there are transactions during current year and previous period.

Employee Benefit Trusts

Piramal Pharma Limited employees PF trust (PPPFT)

E. Associates and Joint Ventures - Refer Note 37 (b) and (c)

F. Key Management Personnel (KMP)

Mr. Peter De Young
Ms. Nandini Piramal
Mr. Vivek Valsaraj (w.e.f February 9, 2022)

G. Non Executive/Independent Directors

Mr. S. Ramadorai
Mr. Rajesh Laddha (upto February 10, 2022)
Mr. Neeraj Bharadwaj
Mr. Jairaj Manohar Purandare
Mr. Peter Andrew Stevenson (w.e.f March 30, 2022)
Mr. Sridhar Gorthi (w.e.f March 30, 2022)

PIRAMAL PHARMA LIMITED

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

DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES FOR THE YEAR / PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021

2. Details of transactions with related parties.

(Rs. in Crores)

| Details of Transactions | Holding Company | | Fellow Subsidiaries | | Joint Venture | | Associates | | Other Related Parties | | Total | |
|---|-----------------|---------------|---------------------|--------------|---------------|---------------|--------------|---------------|-----------------------|--------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Purchase of Goods | | | | | | | | | | | | |
| - PGL | - | - | - | - | - | - | - | - | - | 4.65 | - | 4.65 |
| - Piramal Glass USA Inc. | - | - | - | - | - | - | - | - | 1.08 | 7.09 | 1.08 | 7.09 |
| - 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 | - | - | - | - | - | - | 66.06 | 60.22 | - | - | 66.06 | 60.22 |
| - PEL | 925.96 | 373.27 | - | - | - | - | - | - | - | - | 925.96 | 373.27 |
| TOTAL | 925.96 | 373.27 | - | - | - | - | 66.06 | 60.22 | - | - | 992.02 | 433.49 |
| Dividend Income | | | | | | | | | | | | |
| - Allergan | - | - | - | - | - | - | 90.65 | 124.54 | - | - | 90.65 | 124.54 |
| TOTAL | - | - | - | - | - | - | 90.65 | 124.54 | - | - | 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 | - |
| - 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 | - | - | - | - | - | 0.05 | - | 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 |
| Finance granted /(repayments) - (including loans and Equity contribution/Investments 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 |
| Contribution to Funds | | | | | | | | | | | | |
| - PPFT | - | - | - | - | - | - | - | - | 26.97 | 8.78 | 26.97 | 8.78 |
| TOTAL | - | - | - | - | - | - | - | - | 26.97 | 8.78 | 26.97 | 8.78 |
| Dividend Paid | | | | | | | | | | | | |
| - PEL | 39.94 | - | - | - | - | - | - | - | - | - | 39.94 | - |
| TOTAL | 39.94 | - | - | - | - | - | - | - | - | - | 39.94 | - |

All the transactions were made on normal commercial terms and conditions and at market rates.

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

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, 2022 and March 31, 2021 respectively

3. Transactions with Subsidiaries**Piramal Pharma Limited****(Rs. in Crores)**

| Details of Transaction | For the year/ period ended | |
|---|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Purchase of Goods | | |
| - Piramal Critical Care Inc. | 17.46 | 21.60 |
| - Piramal Healthcare, Canada | - | 0.04 |
| - Piramal Healthcare UK | 0.49 | (0.09) |
| - Convergence Chemicals Private Limited | 0.01 | - |
| TOTAL | 17.96 | 21.55 |
| Sale of Goods | | |
| - Piramal Healthcare UK | 17.52 | 15.73 |
| - Piramal Critical Care Inc. | 90.00 | 103.14 |
| - Piramal Healthcare, Canada | 2.22 | 14.23 |
| - Piramal Critical Care Limited | 3.71 | 1.90 |
| - Piramal Critical Care BV | 16.07 | 17.60 |
| - Ash Stevens LLC | 0.95 | 0.45 |
| - Convergence Chemicals Private Limited | 0.07 | - |
| - Hemmo Pharmaceuticals Private Limited | * | - |
| TOTAL | 130.54 | 153.05 |
| Rendering of Services | | |
| - Piramal Healthcare UK | - | 32.18 |
| - Piramal Healthcare, Canada | 3.32 | - |
| - Ash Stevens LLC | 5.08 | 0.01 |
| - Hemmo Pharmaceuticals Private Limited | 0.04 | - |
| TOTAL | 8.44 | 32.19 |
| Guarantee Commission Income | | |
| - Piramal Healthcare UK | 0.51 | 0.47 |
| - Convergence Chemicals Private Limited | 0.09 | - |
| - Piramal Critical Care Limited | 0.27 | 0.01 |
| TOTAL | 0.87 | 0.48 |
| Receiving of Services | | |
| - Piramal Pharma Inc. | - | 9.95 |
| - Piramal Healthcare UK | 12.50 | 13.73 |
| - Piramal Critical Care Inc. | 1.28 | - |
| - Ash Stevens LLC | 34.41 | 25.99 |
| - Convergence Chemicals Private Limited | 0.02 | 0.08 |
| TOTAL | 48.21 | 49.75 |
| Finance granted /(repayments) - Net (including loans and Equity contribution/Investments in cash or in kind) | | |
| - Convergence Chemicals Private Limited | (7.25) | 3.25 |
| - Piramal Dutch Holdings N.V. | 70.94 | 598.23 |
| - PEL Pharma Inc | 91.41 | - |
| - Hemmo Pharmaceuticals Private Limited | 20.99 | - |
| TOTAL | 176.09 | 601.48 |
| Interest received on loans/investments# | | |
| - Convergence Chemicals Private Limited | 1.74 | 0.17 |
| - Piramal Dutch Holdings N.V. | 24.66 | 17.59 |
| - PEL Pharma Inc. | 0.16 | - |
| - Hemmo Pharmaceuticals Private Limited | 1.36 | - |
| TOTAL | 27.92 | 17.76 |
| Sale of assets | | |
| - Hemmo Pharmaceuticals Private Limited | 1.41 | - |
| TOTAL | 1.41 | - |

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

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

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, 2022 and March 31, 2021 respectively

4. Transactions within subsidiaries**Ash Stevens LLC****Rs. In Crores**

| Nature of transactions | For the year/ period ended | |
|-------------------------------------|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Rendering of Services | | |
| - Piramal Healthcare Canada Limited | 4.41 | 4.62 |
| - Piramal Healthcare UK Limited | 12.63 | 14.93 |
| - Piramal Pharma Solutions Inc. | 2.52 | - |
| - PEL Healthcare LLC | 2.16 | - |
| TOTAL | 21.72 | 19.55 |
| Interest Received # | | |
| - PEL Healthcare LLC | 1.02 | 0.01 |
| - PEL Pharma Inc | 4.03 | 3.97 |
| - Piramal Pharma Solutions Inc. | 0.74 | 0.70 |
| TOTAL | 5.79 | 4.68 |

Piramal Dutch Holdings NV (Netherlands)**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|--|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Interest Received # | | |
| - Piramal Critical Care BV | 1.05 | 1.32 |
| - Piramal Critical Care Deutschland GmbH | 0.11 | - |
| - PEL Pharma Inc | 1.55 | 0.83 |
| TOTAL | 2.71 | 2.15 |
| Rendering of services | | |
| - PEL Pharma Inc | - | 0.22 |
| TOTAL | - | 0.22 |

Piramal Critical Care BV**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|--|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sale of Goods | | |
| - Piramal Critical Care Italia SPA (Italy) | 35.80 | 34.26 |
| - Piramal Critical Care Deutschland GmbH | 16.53 | 8.37 |
| TOTAL | 52.33 | 42.63 |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****Piramal Critical Care Inc****(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|--|-----------------------------------|-----------------------|
| | 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 | 53.84 | 35.79 |
| - Piramal Critical Care Limited (UK) | - | 40.18 |
| - Piramal Critical Care Deutschland GmbH | - | 0.16 |
| TOTAL | 53.84 | 76.13 |
| Rendering of Service | | |
| - Ash Stevens LLC | 5.13 | 5.75 |
| - Piramal Critical Care South Africa | 0.39 | 0.34 |
| TOTAL | 5.52 | 6.09 |
| Interest Received # | | |
| - Piramal Critical Care BV | 1.77 | 0.20 |
| - Piramal Critical Care Limited (UK) | 0.20 | - |
| TOTAL | 1.97 | 0.20 |
| Receiving of services | | |
| - Piramal Critical Care South Africa | - | 0.16 |
| TOTAL | - | 0.16 |
| Reimbursement of expenses | | |
| - Piramal Pharma Solutions Inc | - | 0.06 |
| - Ash Stevens LLC | - | 0.07 |
| TOTAL | - | 0.13 |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****Piramal Critical Care Limited (UK)****(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|---|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Purchase of Goods | | |
| - Piramal Critical Care BV | 6.87 | 0.91 |
| TOTAL | 6.87 | 0.91 |
| Sale of Goods | | |
| - Piramal Critical Care South Africa | 5.77 | 22.74 |
| - Piramal Critical Care BV | 2.05 | 2.66 |
| - Piramal Critical Care Pty Ltd (Australia) | 2.12 | 3.05 |
| - Piramal Critical Care Deutschland GmbH | 1.67 | 4.39 |
| - Piramal Critical Care Italia SPA (Italy) | 0.20 | 0.06 |
| TOTAL | 11.81 | 32.90 |
| Rendering of Services | | |
| - Piramal Critical Care BV | 26.85 | 25.76 |
| TOTAL | 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) | 1.78 | 0.93 |
| TOTAL | 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

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****PEL Pharma Inc****(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|--|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Interest Received # - PEL Healthcare LLC | 0.71 | 0.41 |
| TOTAL | 0.71 | 0.41 |

Piramal Healthcare Canada Limited**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|---|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sale of Goods - Piramal Healthcare UK Limited | 6.12 | 8.61 |
| TOTAL | 6.12 | 8.61 |
| Interest received # - Piramal Pharma Solutions Inc. | 4.81 | 5.00 |
| TOTAL | 4.81 | 5.00 |
| Reimbursement of expenses - Ash Stevens LLC | 1.42 | 0.61 |
| TOTAL | 1.42 | 0.61 |
| Service Charges Paid - Piramal Pharma Inc | - | 0.03 |
| TOTAL | - | 0.03 |

Piramal Healthcare Inc**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|---|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Interest Received # - Piramal Critical Care Inc | 7.52 | 5.61 |
| - Piramal Critical Care BV | 0.75 | - |
| - Piramal Critical Care Limited (UK) | 0.27 | - |
| - Piramal Pharma Solutions Inc. | 5.57 | 5.16 |
| - Piramal Dutch Holdings NV (Netherlands) | 0.73 | - |
| - PEL Pharma Inc | 5.52 | 4.30 |
| - Piramal Pharma Inc | 0.51 | 0.43 |
| TOTAL | 20.87 | 15.50 |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****Piramal Healthcare UK Limited****(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|--|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sale of Goods | | |
| - Piramal Critical Care BV | 0.50 | - |
| - Piramal Critical Care Italia SPA (Italy) | - | 0.01 |
| TOTAL | 0.50 | 0.01 |
| Interest on Loan # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 1.60 | 1.87 |
| TOTAL | 1.60 | 1.87 |

Piramal Pharma Inc**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|-------------------------------------|----------------------------|----------------|
| | 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 | 0.99 | 0.81 |
| TOTAL | 0.99 | 0.81 |
| Interest on Loan # | | |
| - Piramal Healthcare Canada Limited | 0.98 | 1.05 |
| TOTAL | 0.98 | 1.05 |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED

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

Piramal Pharma Solutions Inc**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|---|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sale of Service | | |
| - Piramal Healthcare UK Limited | 1.04 | - |
| - PEL healthcare LLC | 0.10 | 0.01 |
| TOTAL | 1.14 | 0.01 |
| Purchase of Goods | | |
| - Piramal Healthcare UK Limited | 0.12 | - |
| TOTAL | 0.12 | - |
| Interest on Loan # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 0.01 | 0.40 |
| - PEL Pharma Inc | 9.70 | 9.30 |
| - Piramal Healthcare UK Limited | - | 0.19 |
| TOTAL | 9.71 | 9.89 |
| Reimbursement of expenses | | |
| - Ash Stevens LLC | 1.89 | - |
| TOTAL | 1.89 | - |
| Service Charges Paid | | |
| - Ash Stevens LLC | - | 0.81 |
| TOTAL | - | 0.81 |

PEL healthcare LLC**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|----------------------------------|----------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Reimbursement of expenses | | |
| - Ash Stevens LLC | 2.35 | - |
| TOTAL | 2.35 | - |

Convergence Chemicals Private Limited**(Rs. in Crores)**

| Nature of transactions | For the year/ period ended | |
|------------------------------|----------------------------|----------------|
| | 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

PIRAMAL PHARMA LIMITED

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

DISCLOSURE OF TRANSACTIONS AND BALANCES BETWEEN THE GROUP AND RELATED PARTIES AS AT MARCH 31, 2022 AND MARCH 31, 2021

5. Compensation of key managerial personnel

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

| Particulars | (Rs. in Crores) | |
|--|-----------------|-------------|
| | 2022 | 2021 |
| Short-term employee benefits (excluding perquisites) | 8.46 | 1.00 |
| Post-employment benefits | 0.72 | 0.08 |
| Commission and other benefits to non executive / independent directors | 0.72 | 0.48 |
| Total | 9.90 | 1.56 |

6. Balances of related parties.

| Account Balances | (Rs. in Crores) | | | | | | | | | | | |
|--|-----------------|---------------|---------------------|-------------|---------------|----------|--------------|--------------|-----------------------|--------------|---------------|---------------|
| | Holding Company | | Fellow Subsidiaries | | Joint Venture | | Associates | | Other Related Parties | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Trade Receivables | | | | | | | | | | | | |
| - PEL | 341.99 | 214.88 | - | - | - | - | - | - | - | - | 341.99 | 214.88 |
| - Allergan | - | - | - | - | - | - | 10.15 | 13.40 | - | - | 10.15 | 13.40 |
| - PGP Glass Private Limited | - | - | - | - | - | - | - | - | 0.06 | - | 0.06 | - |
| TOTAL | 341.99 | 214.88 | - | - | - | - | 10.15 | 13.40 | 0.06 | - | 352.20 | 228.28 |
| Consideration payable on account of Business transfer agreement (Refer note 14 & 63(B) (III)) | | | | | | | | | | | | |
| - PEL | - | 592.00 | - | - | - | - | - | - | - | - | - | 592.00 |
| TOTAL | - | 592.00 | - | - | - | - | - | - | - | - | - | 592.00 |
| Other receivable from related parties | | | | | | | | | | | | |
| - PEL | 11.99 | 39.92 | - | - | - | - | - | - | - | - | 11.99 | 39.92 |
| - Piramal Capital and Housing finance Limited | - | - | 0.20 | - | - | - | - | - | - | - | 0.20 | - |
| - Piramal Alternatives Private Limited (erstwihle known as Piramal Asset Management Private Limited) | - | - | 0.43 | - | - | - | - | - | - | - | 0.43 | - |
| -PHL Fininvest | - | - | - | 0.29 | - | - | - | - | - | - | - | 0.29 |
| TOTAL | 11.99 | 39.92 | 0.63 | 0.29 | - | - | - | - | - | - | 12.62 | 40.21 |
| Trade Payables | | | | | | | | | | | | |
| - Piramal Glass USA Inc | - | - | - | - | - | - | - | - | 0.67 | 0.21 | 0.67 | 0.21 |
| - PGL | - | - | - | - | - | - | - | - | - | 0.06 | - | 0.06 |
| - PCSL | - | - | - | - | - | - | - | - | 21.51 | 12.42 | 21.51 | 12.42 |
| - PEL | 79.81 | 128.24 | - | - | - | - | - | - | - | - | 79.81 | 128.24 |
| TOTAL | 79.81 | 128.24 | - | - | - | - | - | - | 22.18 | 12.69 | 101.99 | 140.93 |

On October 04, 2021, the Company has issued 141,910,732 equity shares as bonus shares to Piramal Enterprises Limited.

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

The following are the details of the balances eliminated on consolidation as per Ind AS 24 read with ICDR Regulations as at March 31, 2022 and March 31, 2021 respectively

7. Balances of subsidiaries

| Piramal Pharma Limited | | (Rs. in Crores) | |
|--|-----------------------|------------------------|--|
| Account Balances | As at | | |
| | March 31, 2022 | March 31, 2021 | |
| Loans to Related Parties # | | | |
| - Piramal Dutch Holding N.V. | 717.38 | 606.94 | |
| - PEL Pharma Inc. | 91.10 | - | |
| - Hemmo Pharmaceuticals Pvt. Ltd. | 20.99 | - | |
| - Convergence Chemicals Private Limited | 9.50 | 17.47 | |
| TOTAL | 838.97 | 624.41 | |
| Other receivable from related party | | | |
| - Piramal Healthcare UK | 0.09 | 0.36 | |
| - PEL Healthcare LLC | - | 1.07 | |
| TOTAL | 0.09 | 1.43 | |
| Trade Receivables | | | |
| - Piramal Healthcare UK | 35.52 | 46.51 | |
| - Piramal Critical Care Inc. | 8.65 | 8.58 | |
| - Piramal Critical Care Limited | - | 22.09 | |
| - Piramal Critical Care BV | 0.85 | 22.08 | |
| - Piramal Healthcare, Canada | 2.63 | 0.36 | |
| TOTAL | 47.65 | 99.62 | |
| Advance to Vendor | | | |
| - Piramal Critical Care Inc. | - | 3.80 | |
| TOTAL | - | 3.80 | |
| Trade Payable | | | |
| - Piramal Pharma Inc. | 0.18 | 0.17 | |
| - Piramal Healthcare UK | 5.55 | 1.28 | |
| - Piramal Critical Care Inc. | 19.45 | 12.32 | |
| - Piramal Critical Care BV | 0.98 | - | |
| - Piramal Pharama Solutions Inc. | 0.04 | 0.04 | |
| - Piramal Healthcare Inc. | 0.02 | - | |
| - PEL Pharma Inc. | * | - | |
| - Ash Stevens LLC | 6.99 | 8.21 | |
| TOTAL | 33.21 | 22.02 | |
| Guarantee Commission Receivable | | | |
| - Piramal Healthcare UK | 0.20 | 0.31 | |
| - Piramal Critical Care Limited | 0.17 | 0.01 | |
| - Convergence Chemicals Private Limited | 0.01 | - | |
| TOTAL | 0.38 | 0.32 | |
| Contingent Liabilities | | | |
| Guarantees Outstanding | | | |
| - Piramal Healthcare UK | 454.79 | 438.69 | |
| - Piramal Critical Care Limited | 54.20 | - | |
| TOTAL | 508.99 | 438.69 | |

* Amounts below rounding off norms adopted by Company

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED

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

The following are the details of the balances eliminated on consolidation as per Ind AS 24 read with ICDR Regulations as at March 31, 2022 and March 31, 2021 respectively

8. Balances within subsidiaries**Ash Stevens LLC****(Rs. in Crores)**

| Account Balances | As at | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Loans to Related Parties # | | |
| - Piramal Pharma Solutions Inc. | 19.74 | 14.57 |
| - PEL Healthcare LLC | 20.76 | - |
| - PEL Pharma Inc | 29.70 | 82.17 |
| Total | 70.20 | 96.74 |
| Other receivable from related parties | | |
| - PEL Healthcare LLC | - | 0.01 |
| Total | - | 0.01 |
| Trade Receivables | | |
| - Piramal Pharma Solutions Inc. | 1.47 | 1.60 |
| - Piramal Healthcare UK Limited | 27.10 | 15.71 |
| - PEL Healthcare LLC | - | 3.66 |
| Total | 28.57 | 20.97 |
| Trade Payables | | |
| - Piramal Healthcare Canada Limited | 0.13 | - |
| - Piramal Pharma Inc | - | 0.81 |
| Total | 0.13 | 0.81 |

Piramal Dutch Holdings NV (Netherlands)**(Rs. in Crores)**

| Account Balances | As at | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Loans to Related Parties # | | |
| - Piramal Critical Care Deutschland GmbH | 7.55 | - |
| - Piramal Healthcare UK Limited | 0.56 | - |
| TOTAL | 8.11 | - |
| Advances | | |
| - Piramal Pharma Japan GK | 0.06 | - |
| TOTAL | 0.06 | - |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****Piramal Critical Care BV****(Rs. in Crores)**

| Account Balances | As at | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Trade Receivables | | |
| - Piramal Critical Care Italia SPA (Italy) | 32.42 | 20.17 |
| - Piramal Critical Care Deutschland GmbH | 5.20 | 15.91 |
| TOTAL | 37.62 | 36.08 |
| Loan from related parties # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 20.76 | 26.57 |
| TOTAL | 20.76 | 26.57 |
| Trade Payables | | |
| - Piramal Critical Care Deutschland GmbH | 3.45 | 0.35 |
| TOTAL | 3.45 | 0.35 |
| Interest Accrued But Not Due # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 0.02 | 1.29 |
| TOTAL | 0.02 | 1.29 |

Piramal Critical Care Inc**(Rs. in Crores)**

| Account Balances | As at | |
|---------------------------------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Loans to Related Parties# | | |
| - Piramal Critical Care BV | 51.27 | 21.93 |
| - Piramal Critical Care Limited (UK) | 22.94 | - |
| TOTAL | 74.21 | 21.93 |
| Interest Accrued But Not Due # | | |
| - Piramal Critical Care BV | - | 0.19 |
| TOTAL | - | 0.19 |
| Trade Receivables | | |
| - Piramal Critical Care BV | 50.39 | 43.25 |
| - Piramal Critical Care Limited (UK) | - | 33.04 |
| - Piramal Pharma Solutions Inc. | 0.04 | - |
| - Ash Stevens LLC | 3.09 | 0.39 |
| - Piramal Healthcare UK Limited | - | 1.81 |
| - Piramal Healthcare Inc | 0.08 | - |
| - Piramal Critical Care South Africa | - | * |
| TOTAL | 53.60 | 78.49 |
| Trade Payables | | |
| - Piramal Critical Care South Africa | 0.40 | - |
| - Ash Stevens LLC | 0.11 | - |
| - Piramal Critical Care Limited (UK) | - | 0.41 |
| TOTAL | 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 PHARMA LIMITED

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

Piramal Critical Care Limited (UK)**(Rs. in Crores)**

| Account Balances | As at | |
|---|-----------------------|-----------------------|
| | March 31, 2022 | March 31, 2021 |
| Loan from related parties # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 59.13 | 32.43 |
| TOTAL | 59.13 | 32.43 |
| Trade Receivables | | |
| - Piramal Critical Care South Africa | 4.99 | 31.86 |
| - Piramal Critical Care BV | 1.46 | 20.31 |
| - Piramal Critical Care Pty Ltd (Australia) | 4.84 | 1.29 |
| - Piramal Critical Care Italia SPA (Italy) | 0.20 | - |
| - Piramal Critical Care Deutschland GmbH | 0.74 | - |
| TOTAL | 12.23 | 53.46 |
| Trade Payables | | |
| - Piramal Critical Care BV | 6.79 | - |
| - Piramal Pharma Solutions Inc. | 23.80 | 23.35 |
| - Piramal Dutch Holdings NV (Netherlands) | 75.20 | 73.79 |
| - Piramal Healthcare UK Limited | 0.19 | 1.35 |
| - Piramal Critical Care Pty Ltd (Australia) | 4.38 | - |
| TOTAL | 110.36 | 98.49 |
| Interest Accrued But Not Due # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 2.68 | 0.91 |
| TOTAL | 2.68 | 0.91 |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED

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

PEL Pharma Inc**(Rs. in Crores)**

| Account Balances | As at | |
|---|-----------------------|-----------------------|
| | March 31, 2022 | March 31, 2021 |
| Loan from related parties# | | |
| - Piramal Dutch Holdings NV (Netherlands) | 132.60 | 151.78 |
| TOTAL | 132.60 | 151.78 |
| Trade Payables | | |
| - Piramal Dutch Holdings NV (Netherlands) | - | 18.50 |
| TOTAL | - | 18.50 |
| Interest Accrued But Not Due # | | |
| - Piramal Dutch Holdings NV (Netherlands) | 0.03 | 0.82 |
| TOTAL | 0.03 | 0.82 |

Piramal Healthcare Canada Limited**(Rs. in Crores)**

| Account Balances | As at | |
|-----------------------------------|-----------------------|-----------------------|
| | March 31, 2022 | March 31, 2021 |
| Loans to Related Parties # | | |
| - Piramal Pharma Solutions Inc. | 108.34 | 103.45 |
| TOTAL | 108.34 | 103.45 |
| Trade Receivables | | |
| - Piramal Healthcare UK Limited | 0.38 | 5.65 |
| - Ash Stevens LLC | - | 0.32 |
| TOTAL | 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 PHARMA LIMITED

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

Piramal Healthcare Inc**(Rs. in Crores)**

| Account Balances | As at | |
|--|-----------------------|-----------------------|
| | March 31, 2022 | March 31, 2021 |
| Loans to Related Parties # | | |
| - Piramal Critical Care Inc | 382.75 | 374.56 |
| - Piramal Critical Care BV | 46.25 | - |
| - Piramal Critical Care Limited (UK) | 23.01 | - |
| - Piramal Dutch Holdings NV (Netherlands) | 79.42 | - |
| - PEL Pharma Inc | 341.62 | 223.23 |
| - Piramal Pharma Inc | 26.17 | 27.67 |
| TOTAL | 899.22 | 625.46 |
| Other receivable from related parties | | |
| - Piramal Critical Care Inc | 0.90 | 0.45 |
| TOTAL | 0.90 | 0.45 |

Piramal Healthcare UK Limited**(Rs. in Crores)**

| Account Balances | As at | |
|---|-----------------------|-----------------------|
| | March 31, 2022 | March 31, 2021 |
| Trade Payables | | |
| - Piramal Pharma Solutions Inc. | 0.08 | - |
| TOTAL | 0.08 | - |
| Loan taken# | | |
| - Piramal Dutch Holdings NV (Netherlands) | 51.77 | 30.64 |
| TOTAL | 51.77 | 30.64 |

Piramal Pharma Solutions Inc.**(Rs. in Crores)**

| Account Balances | As at | |
|--|-----------------------|-----------------------|
| | March 31, 2022 | March 31, 2021 |
| Loan from related Parties# | | |
| - Piramal Dutch Holdings NV (Netherlands) | 21.24 | 20.51 |
| - Piramal Healthcare Inc | 348.11 | 330.32 |
| - PEL Pharma Inc | 241.61 | 197.96 |
| TOTAL | 610.96 | 548.79 |
| Other receivable from related parties | | |
| - Piramal Critical Care Inc | 0.02 | - |
| - PEL Healthcare LLC | - | 0.01 |
| TOTAL | 0.02 | 0.01 |

Refer note 40b for terms of funding arrangement

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

| Piramal Pharma Inc | | (Rs. in Crores) | |
|---------------------------------------|-----------------------|------------------------|--|
| Account Balances | As at | | |
| | March 31, 2022 | March 31, 2021 | |
| Loans to Related Parties # | | | |
| - PEL Pharma Inc | 26.31 | 16.66 | |
| TOTAL | 26.31 | 16.66 | |
| Trade Receivables | | | |
| - Piramal Pharma Solutions Inc. | 9.86 | 9.51 | |
| - Ash Stevens LLC | 0.02 | 0.02 | |
| - Piramal Healthcare UK Limited | 26.16 | 25.24 | |
| TOTAL | 36.04 | 34.77 | |
| Loan from related parties # | | | |
| - Piramal Healthcare Canada Limited | 19.87 | 19.16 | |
| TOTAL | 19.87 | 19.16 | |
| Interest Accrued But Not Due # | | | |
| - Piramal Healthcare Canada Limited | 3.14 | 2.07 | |
| TOTAL | 3.14 | 2.07 | |
| Advance to Subsidiary | | | |
| - Piramal Pharma Solutions Inc | 0.37 | 0.36 | |
| TOTAL | 0.37 | 0.36 | |

Convergence Chemicals Private Limited**(Rs. in Crores)**

| Account Balances | As at | |
|------------------------------|-----------------------|-----------------------|
| | 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 | - |

PIRAMAL PHARMA LIMITED

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

Terms of Loan with related parties

40b 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 1st 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 18th March 2022 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 Rs 50 Crs is granted till 31st March 2025 (this was transferred from PEL) | None | None |
| - Piramal Pharma Limited | - Hemmo Pharmaceuticals Pvt. Ltd. | 8.00% | The Loan not exceeding Rs 25 Crs is granted for period of 12 months from date of agreement 1st 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% | 16th September 2022 and automatically renewed for subsequent periods of one year. | None | None |
| - Piramal Dutch Holding NV | - Piramal Critical Care Limited | 5.25% | 1st 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 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.

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022
Terms of Loan with related parties
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 |
| - 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 1st 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 Rs 50 Crs is granted till 31st 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% | 16th 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% | 31st 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.

PIRAMAL PHARMA LIMITED

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

- 41** Property, Plant & Equipment, Brands and Trademarks and Other Financial Assets are mortgaged / hypothecated to the extent of Rs. 3,639.47 Crores (As on March 31, 2021 Rs. 2,789.75 Crores) as a security against long term secured borrowings as at March 31, 2022.

Plant & Equipment, Inventories and Trade receivables are hypothecated as a security to the extent of Rs. 779.43 Crores (As on March 31, 2021 Rs. 144.21 Crores) against short term secured borrowings as at March 31, 2022.

- 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, 2022 | For the period ended March 31, 2021 [^] |
|---|-----------------------------------|--|
| 1. Profit attributable to owners of Piramal Pharma Limited (Rs. in Crores) | 375.96 | 835.03 |
| 2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.) [*] | 1,17,88,85,044 | 62,76,19,257 |
| 3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) | 1,17,88,85,044 | 62,76,19,257 |
| 4. Earnings Per Share - Basic attributable to Equity Shareholders (Rs.) (1/2) | 3.19 | 13.30 |
| 5. Earnings Per Share - Diluted attributable to Equity Shareholders (Rs.) (1/3) | 3.19 | 13.30 |
| 6. Face value per share (Rs.) | 10.00 | 10.00 |

(i) 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.

The Group has research and development centers in Mumbai, Ennore, Thane 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, Thane and Ahmedabad for the year are as follows;

| Description | (Rs. in Crores) | |
|--|-----------------------------------|-------------------------------------|
| | For the year ended March 31, 2022 | For the period ended March 31, 2021 |
| Revenue Expenditure* | 140.06 | 102.99 |
| TOTAL | 140.06 | 102.99 |
| Capital Expenditure, Net | | |
| Additions to Property Plant & Equipments | 7.25 | 11.51 |
| Additions to Intangibles under Development | 8.74 | 6.91 |
| TOTAL | 15.99 | 18.42 |

* The amount included in Note 34, under R & D Expenses (Net) does not include Rs. 86.82 Crores (Previous period Rs. 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.

Expenditure reported in above table is for the year April 01, 2021 to March 31, 2022 (Previous period - April 1, 2020 to March 31, 2021).

- (b)** In addition to the above, R & D Expenses (Net) included under Note 33 "Other Expenses" also includes expenditure incurred by the Group.

- 44** The Consolidated results for the year ended March 31, 2022 includes the results for Piramal Critical Care Italia S.P.A, Piramal Critical Care BV, Piramal Dutch Holdings N.V., Piramal Critical Care Pty. Limited, Piramal Critical Care South Africa (Pty) Ltd and PEL Pharma Inc based on audited accounts upto their respective financial year ending December 31, 2021 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2022. The results of Hemmo Pharmaceuticals Private Limited, Allergan India Private Limited, Piramal Healthcare Pension Trustees Limited, Yapan Bio Private Limited, Piramal Critical Care Deutschland GmbH, Piramal Pharma Solutions B.V, Piramal Pharma Japan GK and PEL Healthcare LLC are based on management estimates for the year ended March 31, 2022 as audited results were unavailable. The combined Revenues from operations for the year ended March 31, 2022 for all the above companies is Rs. 604.98 crores. The combined loss for the year ended March 31, 2022 for all the above companies to the Consolidated Profit and Loss is Rs. 83.82 crores.

PIRAMAL PHARMA LIMITED

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

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, 20 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:

| | (Rs in Crores) | |
|--------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Equity | 6,696.60 | 5,605.00 |
| Total Equity | 6,696.60 | 5,605.00 |
| Borrowings - Non Current | 2,622.14 | 2,339.16 |
| Borrowings - Current | 1,401.14 | 571.03 |
| Total Debt | 4,023.28 | 2,910.19 |
| Cash & Cash equivalents | (228.10) | (384.65) |
| Net Debt | 3,795.18 | 2,525.54 |
| Debt/Equity Ratio | 0.57 | 0.45 |

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company and its subsidiaries to maintain financial ratios like Total Debt to Total Net Worth, Interest Coverage Ratio, Fixed Asset Cover ratio, Minimum net worth conditions, etc. The Company and its subsidiaries are broadly in compliance with the said covenants and banks have generally waived / condoned such covenants.

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 statements.

| Risk | Exposure arising from | Management |
|--------------------------------|--|---|
| Liquidity risk | Borrowings and other liabilities | The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds. |
| Market risk - Interest rate | Long-term borrowings at variable rates | The Senior Management 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. |
| 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 |

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:

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

| Particulars | (Rs. in Crores) | |
|------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| - Undrawn credit lines | 579.35 | 513.81 |
| | 579.35 | 513.81 |

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

| Maturities of Financial Liabilities | (Rs. in Crores) | | | |
|-------------------------------------|-----------------|----------------------|---------------|-----------------|
| | Upto 1 year | As at March 31, 2022 | | 5 years & above |
| | | 1 to 3 years | 3 to 5 years | |
| 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 | 259.03 | - | - | - |
| | 2,793.66 | 2,139.32 | 740.97 | 144.58 |

| Maturities of Financial Liabilities | (Rs. in Crores) | | | |
|-------------------------------------|-----------------|----------------------|-----------------|-----------------|
| | Upto 1 year | As at March 31, 2021 | | 5 years & above |
| | | 1 to 3 years | 3 to 5 years | |
| 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 |

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.

| Maturities of Financial Assets | (Rs. in Crores) | | | |
|----------------------------------|-----------------|----------------------|--------------|-----------------|
| | Upto 1 year | As at March 31, 2022 | | 5 years & above |
| | | 1 to 3 years | 3 to 5 years | |
| Trade Receivables (Gross of ECL) | 1,839.80 | - | - | - |
| | 1,839.80 | - | - | - |

*to the extent considered for the group liquidity management

| Maturities of Financial Assets | (Rs. in Crores) | | | |
|----------------------------------|-----------------|----------------------|--------------|-----------------|
| | Upto 1 year | As at March 31, 2021 | | 5 years & above |
| | | 1 to 3 years | 3 to 5 years | |
| Trade Receivables (Gross of ECL) | 1,622.26 | - | - | - |
| | 1,622.26 | - | - | - |

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.

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

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.

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

Commitment as on March 31, 2022

| Fund Name | Total Commitment (USD Mio) | Balance Commitment (USD Mio) | Total Commitment (Rs. Crores) | Balance Commitment (Rs. 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 (Rs. Crores) | Balance Commitment (Rs. 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.

| Particulars | (Rs. in Crores) | |
|--------------------------|-----------------------------|-----------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Variable rate borrowings | 3,580.93 | 2,564.44 |
| Fixed rate borrowings | 442.37 | 345.75 |
| | <u>4,023.30</u> | <u>2,910.19</u> |

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

If interest rates related to borrowings had been 25 basis points higher/lower and all other variables were held constant for Foreign currency loans, the Group's - Profit before tax for the period ended/Other Equity(pre tax) as on March 31, 2022 would decrease/increase by Rs. 8.95 Crores (previous period: Rs. 6.19 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

PIRAMAL PHARMA LIMITED

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

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.

i) Derivatives outstanding as at the reporting date

| i. Hedge of firm commitment and highly probable forecast transactions | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|---------------|----------------------|---------------|
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| Forward contracts to sell USD / INR | 140.00 | 1,083.05 | 116.00 | 869.96 |

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

| Currencies | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|------------|----------------------|---------------|--------------------------------------|---------------|----------------------|---------------|--------------------------------------|---------------|
| | Trade receivables | | Trade Payables/ Advances to Supplier | | Trade receivables | | Trade Payables/ Advances to Supplier | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| EUR | 14.68 | 123.64 | 1.60 | 13.49 | 18.78 | 160.90 | 0.44 | 3.78 |
| USD | 84.71 | 642.09 | 26.00 | 197.07 | 84.20 | 615.60 | 37.84 | 276.66 |
| GBP | 2.22 | 22.08 | 0.85 | 8.44 | 11.71 | 117.68 | 5.39 | 53.98 |
| AUD | 0.73 | 4.14 | 0.00 | 0.02 | 0.36 | 2.18 | - | 0.01 |
| CAD | 7.30 | 44.15 | (0.00) | (0.02) | 7.45 | 43.24 | - | 0.03 |
| SGD | 0.08 | 0.43 | 0.00 | 0.00 | 0.15 | 0.80 | - | - |
| ZAR | 9.73 | 5.08 | - | - | 64.50 | 31.81 | - | - |
| HKD | 0.46 | 0.44 | 0.03 | 0.02 | 0.80 | 0.79 | - | - |
| IDR | 36,175.29 | 19.17 | 12,981.62 | 6.88 | 29,907.10 | 14.95 | 23,933.80 | 11.97 |
| YEN | 226.89 | 14.10 | 6.07 | 0.38 | 144.90 | 9.57 | 2.19 | 0.15 |
| CZK | 45.53 | 15.66 | 0.64 | 0.22 | 27.59 | 9.05 | 0.65 | 0.23 |
| INR | - | - | - | - | - | - | 279.44 | 27.94 |
| THB | - | - | 0.43 | 0.10 | - | - | 0.77 | 0.18 |
| SEK | - | - | 0.03 | 0.02 | - | - | 0.03 | 0.02 |
| AED | - | - | 0.07 | 0.14 | - | - | 0.04 | 0.08 |
| CHF | 0.09 | 0.74 | 0.20 | 1.65 | - | - | 0.06 | 0.51 |

| Currencies | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|------------|----------------------|---------------|--------------------------|---------------|----------------------|---------------|--------------------------|---------------|
| | Loan from Banks | | Current Account Balances | | Loan from Banks | | Current Account Balances | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| USD | - | - | 33.90 | 257.05 | 8.23 | 60.20 | 17.38 | 127.11 |
| EUR | 1.87 | 15.78 | (11.13) | (93.70) | 0.90 | 7.56 | (11.94) | (102.37) |
| GBP | 0.78 | 7.80 | - | - | - | - | - | - |

| Currencies | As at March 31, 2022 | | As at March 31, 2021 | |
|------------|-------------------------|---------------|-------------------------|---------------|
| | Cash & Cash Equivalents | | Cash & Cash Equivalents | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| USD | (0.22) | (1.67) | 6.98 | 51.06 |
| GBP | (0.19) | (1.86) | (0.25) | (2.55) |
| CHF | 0.01 | 0.81 | - | - |
| EUR | 0.23 | 1.94 | 1.43 | 12.28 |
| CZK | 4.47 | 1.54 | 4.03 | 1.32 |
| ZAR | 0.24 | 0.13 | - | - |
| IDR | 1,302.96 | 0.69 | - | - |
| YEN | 0.03 | 0.00 | - | - |
| AUD | 0.00 | 0.01 | - | - |

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, 2022 | | | Impact on Profit or Loss/Other Equity for the year (Rs. In Crores) | As at March 31, 2021 | | | Impact on Profit or Loss/Other Equity for the year (Rs. In Crores) |
|------------|-------------------|----------------------------------|---------------------------------------|-------------------------|--|----------------------------------|---------------------------------------|-------------------------|--|
| | | Total Assets in FC (In Millions) | Total Liabilities in FC (In Millions) | Change in exchange rate | | Total Assets in FC (In Millions) | Total Liabilities in FC (In Millions) | Change in exchange rate | |
| USD | Increase by 5%# | 221.62 | 26.22 | 3.79 | 74.06 | 207.10 | 106.21 | 3.66 | 36.88 |
| USD | Decrease by 5%# | 221.62 | 26.22 | (3.79) | (74.06) | 207.10 | 106.21 | (3.66) | (36.88) |
| GBP | Increase by 5%# | 4.22 | 1.82 | 4.97 | 1.19 | 14.32 | 20.61 | 5.04 | (3.17) |
| GBP | Decrease by 5%# | 4.22 | 1.82 | (4.97) | (1.19) | 14.32 | 20.61 | (5.04) | 3.17 |
| EUR | Increase by 5%# | 14.91 | 14.60 | 4.21 | 0.13 | 10.77 | 11.22 | 4.29 | (0.19) |
| EUR | Decrease by 5%# | 14.91 | 14.60 | (4.21) | (0.13) | 10.77 | 11.22 | (4.29) | 0.19 |
| CHF | Increase by 5%# | 0.10 | 0.20 | 4.10 | (0.04) | - | 4.79 | 3.88 | (1.86) |
| CHF | Decrease by 5%# | 0.10 | 0.20 | (4.10) | 0.04 | - | 4.79 | (3.88) | 1.86 |

Holding all the variables constant

PIRAMAL PHARMA LIMITED

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

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.

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

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

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

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

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

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the period ended March 31, 2022:

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

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at March 31, 2022 (In Crores)

| | Notional principal amounts | Derivative Financial Instruments - Assets | Derivative Financial Instruments - Liabilities | Change in fair value for the year recognized in OCI | Ineffectiveness recognized in profit or loss | Line item in profit or loss that includes hedge ineffective-ness | Amount reclassified from cash flow hedging reserve to profit or loss | Line item in profit or loss affected by the reclassification |
|------------------------------------|----------------------------|---|--|---|--|--|--|--|
| Foreign exchange forward contracts | 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 ineffective-ness | Contracts novated from PEL to PPL | Amount reclassified from cash flow hedging reserve to profit or loss | Line item in profit or loss affected by the reclassification |
|------------------------------------|----------------------------|---|--|---|--|--|-----------------------------------|--|--|
| Foreign exchange forward contracts | 11.30 (USD) | 16.36 | - | 10.47 | - | Not applicable | (4.30) | (0.44) | Revenue |

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

| | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---------------------------------------|----------------------|-------------|-----------|--------------|----------------------|-------------|-----------|--------------|
| | Total | Upto 1 year | 1-5 years | Over 5 years | Total | Upto 1 year | 1-5 years | Over 5 years |
| Foreign currency risk: | | | | | | | | |
| Forward exchange contracts | 13.00 (USD) | 13.00 (USD) | - | - | 11.30 (USD) | 11.30 (USD) | - | - |
| Average INR:USD forward contract rate | 77.87 | 77.87 | - | - | 77.11 | 77.11 | - | - |

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

| Movement in Cash flow hedge reserve for the years ended | 31 March 2022 (Rs. In Crs) |
|---|----------------------------|
| 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 |
| Net amount reclassified to profit or loss: | |
| Effective portion of changes in fair value: | |
| 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 |
| Effective portion of changes in fair value: | |
| Foreign exchange forward contracts | 0.71 |
| Tax on movements on reserves during the period | (0.18) |
| Net amount reclassified to profit or loss: | |
| Effective portion of changes in fair value: | |
| Foreign exchange forward contracts | 7.68 |
| Tax on movements on reserves during the period | (2.00) |
| Closing balance as at March 31, 2022 | 12.09 |

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****47 Movement in Provisions :****(Rs. in Crores)**

| Particulars | Onerous Contracts | |
|---|-------------------|-------------------|
| | As at | |
| | March 31, 2022 | March 31, 2021 |
| Balances as at the beginning of the year | 0.08 | 0.10 |
| Amount used | - | (0.03) |
| Revaluation of closing balances | * | 0.01 |
| Balances as at the end of the year | 0.08 | 0.08 |
| Classified as Non-current (Refer note 18) | 0.08 | 0.08 |
| Total | 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.

48 Below table provides the geographical information in term of Ind AS 108:**Geographical Segments**

| Particulars | Within India | | Outside India | | Total | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|
| | March 2022 | March 2021 | March 2022 | March 2021 | March 2022 | March 2021 |
| | Revenue from operations | 1,225.55 | 882.66 | 5,333.55 | 5,432.24 | 6,559.10 |
| Carrying amount of Non current Assets* | 2,855.12 | 1,956.00 | 5,249.59 | 4,842.59 | 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

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

49) Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

| | (Rs. in Crores) | |
|-------------------------------------|------------------------------|--------------------------------|
| | Year Ended March 31, 2022 | Period Ended March 31, 2021 |
| Current tax | | |
| In respect of the current year | 191.13 | 116.34 |
| | 191.13 | 116.34 |
| Deferred tax | | |
| Deferred Tax, net | (82.11) | (2.32) |
| | (82.11) | (2.32) |
| Total tax expense recognised | 109.02 | 114.02 |

b) Tax (expense)/ benefits recognised in other comprehensive income

| | (Rs. in Crores) | |
|---|------------------------------|--------------------------------|
| | 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 | (5.38) | 1.60 |
| Fair value remeasurement of hedging instruments entered into for cash flow hedges | (2.18) | (1.93) |
| Remeasurement of defined benefit obligation | (0.07) | 0.82 |
| Total tax expense recognised | (7.63) | 0.49 |

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated restated statement of assets and liabilities:

| | (Rs. in Crores) | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Deferred tax assets (net) | 297.27 | 244.12 |
| Deferred tax liabilities (net) | (192.01) | (222.49) |
| | 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, 2022

| 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) |
| Measurement of financial liabilities at amortised cost | (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

| | (Rs. 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)(i)) | 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) |
| 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 |

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

The income tax expense for the period can be reconciled to the accounting profit as follows:

| Particulars | (Rs. in Crores) | |
|--|-----------------------------------|--|
| | For the year ended March 31, 2022 | For the period March 4, 2020 to March 31, 2021 |
| Consolidated Profit before tax | 425.95 | 901.81 |
| Less: Profit recognised on account of common control acquisition (Refer note 63(B)(iii)) | - | (282.02) |
| Profit before tax | 425.95 | 619.79 |
| Income tax expense calculated at 25.17% | 107.21 | 156.00 |
| Effect of expenses that are not deductible in determining taxable profit | 5.88 | 9.43 |
| Utilisation of previously unrecognised tax losses | (20.99) | (26.67) |
| Effect of incomes which are taxed at different rates | (4.22) | (5.38) |
| 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) |
| Tax provision for earlier years | - | (20.06) |
| Tax losses for which no deferred income tax is recognised | 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 | (0.82) | 0.22 |
| Effect of deduction from dividend income | - | 14.37 |
| Others | 4.39 | 17.46 |
| Income tax expense recognised in consolidated statement of profit and loss | 109.03 | 114.02 |

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year ended 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 periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income taxes are deductible, the Group believes that it is probable that the Group will realize the benefits of this deferred tax asset. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

In addition to this, during the period, the Group has recognized Deferred Tax Asset of Rs. 47.94 Crores (Previous period Rs. 78.10 Crores) 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 Rs. 193.23 Crores (Previous period Rs. 161.77 crores) as at March 31, 2022 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 years. Unrecognized Deferred tax of Rs. 193.23 Crores (Previous period Rs. 124.66 Crores) as at March 31, 2022 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of Rs. Nil (Previous period Rs. 37.11 Crores) as at March 31, 2022 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.

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022
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, 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 (Rs. in Crores) | As a % of Consolidated profit | Amount (Rs. in Crores) | As a % of Consolidated Other Comprehensive Expense | Amount (Rs. in Crores) | As a % of Consolidated Total Comprehensive Loss | Amount (Rs. 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 |
| 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 |

PIRAMAL ENTERPRISES LIMITED

PIRAMAL PHARMA LIMITED

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

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, 2021 | | Share in Profit or (loss) for the period ended March 31, 2021 | | Share in Other Comprehensive Income for the period ended March 31, 2021 | | Share in Total Comprehensive Income for the period ended March 31, 2021 | |
|---|--|------------------------|---|------------------------|---|------------------------|---|------------------------|
| | As a % of Consolidated net assets | Amount (Rs. in Crores) | As a % of Consolidated profit/ (loss) | Amount (Rs. in Crores) | As a % of Consolidated Other Comprehensive Income/ (Expense) | Amount (Rs. in Crores) | As a % of Consolidated Total Comprehensive Income/ (Loss) | Amount (Rs. 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) |
| 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 |

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

51 Fair Value Measurement

Financial Instruments by category:

| a) Categories of Financial Instruments: | March 31, 2022 | | March 31, 2021 | |
|---|----------------|-----------------|----------------|-----------------|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Financial Assets | | | | |
| Investments in Equity shares | 50.34 | - | 13.00 | - |
| Investments in Mutual funds | 37.01 | - | - | - |
| Cash & Bank Balances | - | 328.99 | - | 405.62 |
| Trade Receivables | - | 1,785.28 | - | 1,574.94 |
| Other Financial Assets | 7.48 | 138.94 | 17.07 | 165.92 |
| | 94.83 | 2,253.21 | 30.07 | 2,146.48 |
| Financial Liabilities | | | | |
| Borrowings (including Current Maturities of Long Term Debt) | - | 4,023.28 | - | 2,910.19 |
| Lease Liability | - | 104.64 | - | 114.90 |
| Trade Payables | - | 1,026.35 | - | 917.94 |
| Other Financial Liabilities | - | 259.43 | - | 722.87 |
| | - | 5,413.70 | - | 4,665.90 |

b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| Financial Assets | Notes | Carrying Value | March 31, 2022 | | | Total |
|--|-------|----------------|----------------|---------|---------|-------|
| | | | Level 1 | Level 2 | Level 3 | |
| 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 |

| Financial Liabilities | Notes | Carrying Value | March 31, 2022 | | | Total |
|---|-------|----------------|----------------|---------|----------|----------|
| | | | Level 1 | Level 2 | Level 3 | |
| 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 |

| Financial Assets | Notes | Carrying Value | March 31, 2021 | | | Total |
|--|-------|----------------|----------------|---------|---------|-------|
| | | | Level 1 | Level 2 | Level 3 | |
| 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 |

| Financial Liabilities | Notes | Carrying Value | March 31, 2021 | | | Total |
|---|-------|----------------|----------------|---------|----------|----------|
| | | | Level 1 | Level 2 | Level 3 | |
| 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 Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration, Debentures, Term Loans, investment in Alternate Investment Funds and ICDs included in level 3.

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022****Valuation techniques used to determine the fair values:**

- i. This includes mutual funds and equity shares which are fair valued using quoted prices and closing NAV in the market.
- ii. This includes forward exchange contracts. The fair value of the forward exchange contract is determined using forward exchange rate at the restated statement of assets and liabilities date.
- iii. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2022 and March 31, 2021.

| (Rs. 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 profit or loss | 21.18 |
| Exchange Fluctuations | 0.72 |
| As at March 31, 2022 | 50.34 |

- d) Management uses its best judgment in estimating the fair value of its financial instruments (including impact on account of Covid-19). However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

52 Leases

(i) Amounts recognised in the restated statement of assets and liabilities

Right-of-use assets

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

| Category of Asset | Opening as on 1st April, 2021 | Acquisition through Business Combination* | Additions during 2021-22 | Deductions during 2021-22 | Depreciation for 2021-22 | (Rs. in Crores) | |
|-------------------|-------------------------------|---|--------------------------|---------------------------|--------------------------|-------------------------------------|--------------------------------|
| | | | | | | Foreign currency translation impact | Closing as on 31st March, 2022 |
| Building | 124.04 | - | 10.00 | 0.93 | 25.68 | 4.46 | 111.89 |
| Leasehold Land | 5.27 | 54.09 | 6.69 | - | 0.27 | - | 65.78 |
| Equipments | 0.87 | 0.50 | - | - | 0.52 | - | 0.85 |
| Total | 130.18 | 54.59 | 16.69 | 0.93 | 26.47 | 4.46 | 178.52 |

Following are the changes in the carrying value of right of use assets for the period ended March 31, 2021

| Category of Asset | Balance as at March 04, 2020 | Acquisition through Business Combination* | Additions during 2020-21 | Deductions for the period | Depreciation for the period | (Rs. in Crores) | |
|-------------------|------------------------------|---|--------------------------|---------------------------|-----------------------------|-------------------------------------|--------------------------------|
| | | | | | | 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 |

*Refer note 63 (A) (I)

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

The statement of profit or loss shows the following amounts relating to leases:

| Particulars | (Rs. in Crores) | |
|---|---------------------------|--|
| | Year ended March 31, 2022 | For the period March 4, 2020 to March 31, 2021 |
| Interest expense on lease liabilities (included in finance cost) | 5.73 | 5.17 |
| Expense relating to short-term leases (included in Operating Expenses) | 2.91 | 7.86 |
| Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses) | 25.34 | 20.76 |

The weighted average incremental borrowing rate applied to lease liabilities ranges between 2.51% to 11.77%.

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

| Particulars | (Rs. in Crores) | |
|-------------------|----------------------|----------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| 1 year | 18.91 | 37.84 |
| 1-3 years | 32.28 | 48.29 |
| 3-5 years | 23.24 | 41.36 |
| More than 5 years | 121.65 | 115.73 |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

53 Trade Receivables ageing (#)

| As at March 31, 2022 | | | | | | | (Rs. in Crores) |
|---------------------------------------|-----------------|--------------------|------------------|--------------|-------------|-------------------|-----------------|
| Ageing of receivables | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Receivables : | | | | | | | |
| Considered Good | 1,373.57 | 380.68 | 33.33 | 3.12 | - | - | 1,790.70 |
| Credit impaired | - | 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 | | | | | | | (Rs. in Crores) |
|---------------------------------------|-----------------|--------------------|------------------|-------------|--------------|-------------------|-----------------|
| Ageing of receivables | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | Total |
| Undisputed Trade Receivables : | | | | | | | |
| Considered Good | 1,255.32 | 290.65 | 30.25 | 2.09 | 0.85 | - | 1,579.16 |
| Credit impaired | - | - | 1.80 | 7.49 | 12.97 | 20.81 | 43.07 |
| | | | | | | | |
| Disputed Trade Receivables : | | | | | | | |
| Credit impaired | - | 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.

54 Trade Payable Ageing

| As at March 2022 | | | | | | Rs. In Crores |
|------------------|--|------------------|-------------|-------------|-------------------|---------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 36.51 | 12.42 | 0.21 | - | 0.24 | 49.38 |
| (ii) Others | 113.08 | 208.66 | 0.49 | 1.28 | 3.22 | 326.73 |
| Total | 149.59 | 221.08 | 0.70 | 1.28 | 3.46 | 376.11 |

| As at March 2021 | | | | | | Rs. In Crores |
|------------------|--|------------------|--------------|-------------|-------------------|---------------|
| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
| | Not Due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 12.12 | 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 Rs. 650.24 Crores as on March 31, 2022 (as on March 31, 2021 - Rs. 613.43 Crores)

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

55 Capital work in-progress (CWIP)

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

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

Ageing for Capital work in-progress (CWIP) as at March 31, 2021

| Capital work in-progress (CWIP)* | Amount in CWIP for a period of | | | | Rs. In Crores |
|----------------------------------|--------------------------------|--------------|--------------|-------------------|---------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| 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, 2022 | | To be completed in | | | | Rs. In Crores |
|---------------------------------|------------------|--------------------|--------------|-------------------|--------|---------------|
| Capital work in-progress (CWIP) | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total | |
| Projects in progress | | | | | | |
| 1. Project 1 | - | 131.68 | - | - | 131.68 | |
| 2. Project 2 | 64.11 | - | - | - | 64.11 | |
| 3. Project 3 | 19.36 | - | - | - | 19.36 | |

| As at March 31, 2021 | | To be completed in | | | | Rs. In Crores |
|---------------------------------|------------------|--------------------|--------------|-------------------|--------|---------------|
| Capital work in-progress (CWIP) | 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 | |
| 3. Project 2 | - | 30.44 | - | - | 30.44 | |

56 Intangible Assets under Development (IAUD)

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

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

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

PIRAMAL PHARMA LIMITED**Notes to the Restated Consolidated financial information for the year ended March 31, 2022**

57 The group and its associates have not been declared as wilful defaulter by any bank or financial institution or any other lender

58 Relationship with struck off companies

(Rs. In crores)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at March 31, 2022 | Relationship with the Struck off company, if any, to be disclosed |
|---|--|--|---|
| Balance with Piramal Pharma Limited | | | |
| Central Agency & Services Private Limited | Receivables | 0.01 | Customer |
| Welink Smo India Private Limited | Payable | * | Vendor |
| EMS Networks Pvt Ltd | Payable | * | Vendor |
| Secureplus Allied Private Limited | Payable | 0.03 | Vendor |
| Apex Associates Private Limited | Payable | * | Vendor |
| Epic Attires Private Limited | Payable | * | Vendor |
| Balance with Convergence Chemical Pharma Limited | | | |
| Graphite India Limited | Payable | - | Vendor |

(Rs. In crores)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at March 31, 2021 | Relationship with the Struck off company, if any, to be disclosed |
|--|--|--|---|
| Balance with Piramal Pharma Limited | | | |
| Central Agency & Services Private Limited | Receivables | 0.02 | Customer |
| Office Bazaar Supplies Private Limited | Payable | 0.01 | Vendor |
| Welink Smo India Private Limited | Payable | * | Vendor |
| Ems Networks Pvt Ltd | Payable | * | Vendor |
| Secureplus Allied Private Limited | Payable | 0.03 | Vendor |
| Apex Associates Private Limited | Payable | * | Vendor |
| Epic Attires Private Limited | Payable | * | Vendor |
| Aurozon (India) Private Limited | Advance Paid | 0.03 | Vendor |
| Nagadi Consultants Private Limited | Advance Paid | * | Vendor |
| Balance with Convergence Chemical Private Limited | | | |
| Graphite India Limited | Payable | - | Vendor |

* below rounding off norms adopted by the Group

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.

61 The Group and its associates have not traded or invested in crypto currency during the year ended March 31, 2022.

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 Combinations

A. Summary of acquisitions during the current period

(i) 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 Rs. 775 crores and earn-outs linked to achievement of milestones. The Group has completed the purchase price allocation of the assets/liabilities acquired and consequently, measurement period changes have been adjusted to the goodwill. Balance consideration payable is Rs. 89.91 crores. The acquisition will add peptide API development and manufacturing capabilities.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

| Particulars | Rs. 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 |
| Current Tax Liabilities | 1.57 |
| Current Provisions | 0.43 |
| Total Liabilities | 84.67 |
| Net identifiable assets acquired | 756.41 |

(b) Calculation of goodwill

| Particulars | Rs. 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 | Rs. in Crores |
|-------------------|---------------|
| Revenue | 121.62 |
| Profit before tax | 35.55 |

(d) Credit/Charge to P&L

Acquisition costs of Rs. 15.08 Crores were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2022 under the head - Exceptional items.

(e) Acquired Receivables

| Particulars | Rs. 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 | Rs. in Crores |
|--|---------------|
| Net outflow of cash - investing activities | 790.74 |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022
B. 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 Rs. 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.

(a) Details of purchase consideration

| Particulars | USD in Million | Rs. 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 | Rs. 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 | Rs. 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 | Rs. 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 | - | - |

(f) 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 | Rs. in Crores |
|--------------------------|----------------|---------------|
| Revenue | 14.78 | 109.70 |
| Profit/(Loss) before tax | (0.95) | (7.08) |

(g) Acquisition costs charged to P&L

Acquisition costs of Rs. 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.

(h) Purchase consideration - cash outflow

| Particulars | USD in Million | Rs. in Crores |
|--|----------------|---------------|
| Net outflow of cash - investing activities | 17.51 | 132.29 |

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022
(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 Rs. 65.10 Crores. Post this acquisition, CCPL is a wholly owned subsidiary of the Company.

(a) Details of purchase consideration

| Particulars | Rs. 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 | Rs. 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 |

(c) Calculation of goodwill

| Particulars | Rs. 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 | Rs. 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 | - |

(e) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2021 are as follows:

| Particulars | Rs. in Crores |
|--------------------------|---------------|
| Revenue | 8.80 |
| Profit/(Loss) before tax | (0.59) |

(f) Acquisition costs charged to P&L

Acquisition costs of Rs. * 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 | Rs. 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

Piramal Pharma Limited
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

(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 Rs.3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments.

In accordance with Appendix C to Ind AS 103, the purchase of pharma business being a common control transaction (transaction between a holding company (Piramal Enterprises Limited) and the Company), 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 | (Rs. 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 | <u>82.95</u> | 6,262.44 |
| Financial Assets: | | |
| -Investments | 238.68 | |
| -Loans | 24.44 | |
| -Other Financial Assets | <u>13.42</u> | 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 | <u>373.36</u> | 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 | <u>74.26</u> | 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) | <u>43.71</u> | 2,501.72 |
| Total Liabilities | (II) | 4,249.44 |
| 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 | | <u>(159.01)</u> |
| 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 Rs. 286.57 crores) not taken over | (B) | (326.34) |
| Amount Credited to Capital Reserve | (A+B) | 399.23 |

PIRAMAL PHARMA LIMITED

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

| | | | (Rs. in Crores) | |
|---|---------------------------|--------------------|----------------------|--|
| 64 | Particulars | For the year ended | For the period ended | |
| | | March 31, 2022 | March 31, 2021 | |
| Miscellaneous Expenses in Note 33 includes Auditors' Remuneration in respect of: | | | | |
| A) Statutory Auditors: | | | | |
| | a) Audit Fees | 0.90 | 0.55 | |
| | b) Other Services | 0.60 | 0.03 | |
| | c) Out of Pocket Expenses | - | 0.02 | |

65 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

| | | | (Rs. in Crores) | |
|---|----------------|----------------|-----------------|--|
| Particulars | As at | As at | | |
| | March 31, 2022 | March 31, 2021 | | |
| Principal amount outstanding to suppliers registered under the MSMED act and remaining unpaid as at period end | 49.45 | 28.24 | | |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end. | 0.04 | 10.09 | | |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period. | 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. | - | - | | |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period. | - | - | | |
| Interest due and payable towards suppliers registered under MSMED Act, for Payments already made | 1.69 | 1.42 | | |
| The amount of interest accrued and remaining unpaid at the end of accounting year | 5.33 | 8.76 | | |

66 The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

PIRAMAL PHARMA LIMITED
Notes to the Restated Consolidated financial information for the year ended March 31, 2022

69 The ratios for the year and period ended March 31,2022 and March 31,2021 are as follows:

| Sr No. | Particulars | Numerator | Denominator | 31st March 2022 | 31st March 2021 | Variance |
|--------|----------------------------------|---|---|-----------------|-----------------|----------|
| i | Current Ratio | Current Assets | Current Liabilities | 1.34 | 1.47 | -8.5% |
| ii | Debt Equity Ratio | Total Debt | Total Equity | 0.60 | 0.52 | 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 | 2.02 | 0.64 | 217.5% |
| iv | Return on Equity ratio | Net Profit after tax | Average Shareholders Equity | 6.1% | 14.9% | -8.8% |
| v | Inventory Turnover Ratio | Cost of goods sold | Average inventory | 195.12 | 235.14 | -17.0% |
| vi | Trade Receivables Turnover Ratio | Sales of Products and Services | Average Trade Receivable | 95.36 | 98.71 | -3.4% |
| vii | Trade Payables Turnover Ratio | Total Purchases | Average Trade Payables | 139.35 | 163.18 | -14.6% |
| viii | Net capital turnover ratio** | Sales of Products and Services | Working capital excluding borrowings | 2.64 | 3.63 | -27.2% |
| ix | Net profit ratio | Profit after tax before exceptional items | Revenue from operations | 6.1% | 13.1% | -7.1% |
| x | Return on Capital Employed | Earnings Before Interest and Taxes | Capital Employed | 10.4% | 20.8% | -10.4% |
| xi | Return on Investment # | Income generated from investments | Closing Investment | 41.8% | 101.5% | -59.7% |

Notes:

*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.

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

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 Company 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 Summary of Restatement Adjustments -:

Statement of restatement adjustments to audited financial statements

a) Reconciliation between audited equity and restated equity:

(Rs. In Crs.)

| Particulars | As At | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Equity as per Audited Financial Statements | 6,696.60 | 5,605.00 |
| Total Equity as per Restated Consolidated Financial Information | 6,696.60 | 5,605.00 |

b) Reconciliation between audited Total Comprehensive Income / (Loss) and restated Total Comprehensive Income / (Loss)


(Rs. In Crs.)

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Total Comprehensive Income as per Audited Consolidated Financial Statements | 474.70 | 961.58 |
| Restated Total Comprehensive Income | 474.70 | 961.58 |

72 The financial statements have been approved for issue by Company's Board of Directors on March 24, 2023.

Signature to note 1 to 72 of the Restated Consolidated financial statements.

For and on behalf of the Board of Directors



Nandini Piramal

Chairperson

DIN: 00286092

Place - Mumbai

Date - March 24, 2023



Vivek Valsaraj

Chief Financial Officer

Place - Mumbai

Date - March 24, 2023



Tanya Sanish

Company Secretary

Place - Mumbai

Date - March 24, 2023

INDEPENDENT AUDITOR’S REPORT ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

**The Board of Directors
Piramal Pharma Limited**

Introduction

1. We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Information of Piramal Pharma Limited (“the Company”) and its subsidiaries (collectively, the “Group”), and its share of net profit after tax and total comprehensive income of its associates, which comprises of the Condensed Consolidated Balance Sheet as at December 31, 2022 and the related Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), the Condensed Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the nine month period then ended, and selected notes thereon (collectively, the “Unaudited Interim Condensed Consolidated Financial Information”).

Management Responsibility

2. The Company’s Board of Directors is responsible with respect to preparation and presentation of the Unaudited Interim Condensed Consolidated Financial Information in accordance with Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The respective Board of Directors of companies included in the Group and of its associates are responsible for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Unaudited Interim Condensed Consolidated Financial Information.

Scope of review

3. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Consolidated Financial Information based on our review. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Group’s personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (the “Act”) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as stated above and based on the consideration of the review report of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Interim Condensed Consolidated Financial Information has not been prepared, in all material aspects, in accordance with Ind AS 34 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Deloitte Haskins & Sells LLP

Other matters

5. The Company had prepared a separate set of Statement of Unaudited Consolidated Financial Results for the three and nine month period ended December 31, 2022, in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India as per the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended on which we have issued unmodified review report dated February 8, 2023.
6. We did not review the interim financial information of eight subsidiaries included in the unaudited consolidated financial information, whose interim financial information reflect total assets of Rs. 9,392.31 crores as at December 31, 2022, total revenue of Rs. 2,623.84 crores for the period ended December 31, 2022, total net loss after tax of Rs. 90.63 crores for the period ended December 31, 2022, total comprehensive income of Rs. 164.43 crores for the period ended December 31, 2022 and net cash inflows of Rs. 8.20 crores for the period ended December 31, 2022 as considered in the Unaudited Interim Condensed Consolidated Financial Information. These interim financial information have been reviewed by other auditors whose reports have been furnished to us and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our conclusion is not modified in respect of above matter.

7. The Unaudited Interim Condensed Consolidated Financial Information includes the interim financial information of seven subsidiaries which have not been reviewed or audited by their auditors, whose interim financial information reflect total assets of Rs. 236.42 crores as at December 31, 2022, total revenue of Rs. 114.47 crores for the period ended December 31, 2022, total loss after tax of Rs. 15.28 crores for the period ended December 31, 2022, total comprehensive loss of Rs. 14.62 crores for the period ended December 31, 2022 and net cash outflow of Rs. 1.95 crores for the period ended December 31, 2022, as considered in the Unaudited Interim Condensed Consolidated Financial Information. The unaudited consolidated financial results also includes the Group's share of profit and total comprehensive income of Rs. 0.19 crores for the period ended December 31, 2022, as considered in the Unaudited Interim Condensed Consolidated Financial Information, in respect of one associate, based on their interim financial information which have not been reviewed by their auditor. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Unaudited Interim Condensed Consolidated Financial Information is not modified in respect of our reliance on the interim financial information certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)



Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 23046930BGXRJF9104)

Place: Goa
Date: March 24, 2023

PIRAMAL PHARMA LIMITED
Condensed Consolidated Balance Sheet as at December 31, 2022

| Particulars | Note No. | As at | |
|--|----------|-------------------|------------------|
| | | December 31, 2022 | March 31, 2022 |
| | | Rs. in Crores | Rs. in Crores |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 3 | 2,985.67 | 2,864.07 |
| (b) Capital Work in Progress | | 1,094.54 | 673.15 |
| (c) Goodwill | | 1,136.32 | 1,030.50 |
| (d) Other Intangible Assets | 3 | 2,823.08 | 2,806.09 |
| (e) Intangible Assets under development | | 567.50 | 499.19 |
| (f) Right Of Use Assets | | 210.18 | 178.52 |
| (g) Financial Assets: | | | |
| (i) Investments | | | |
| - Investments accounted for using the equity method | | 212.07 | 179.82 |
| - Other Investments | | 47.37 | 36.95 |
| (ii) Other Financial Assets | | 31.55 | 95.57 |
| (h) Deferred tax assets (Net) | | 347.50 | 297.27 |
| (i) Other non-current assets | | 105.55 | 68.69 |
| Total Non-Current Assets | | 9,561.33 | 8,729.82 |
| Current Assets | | | |
| (a) Inventories | | 1,852.80 | 1,388.80 |
| (b) Financial Assets: | | | |
| (i) Investments | | 71.98 | 50.40 |
| (ii) Trade receivables | | 1,454.07 | 1,785.28 |
| (iii) Cash & Cash equivalents | 4 | 251.89 | 228.10 |
| (iv) Bank balances other than (iii) above | | 109.15 | 100.89 |
| (v) Other Financial Assets | | 72.17 | 50.85 |
| (c) Other Current Assets | | 655.84 | 462.90 |
| Total Current Assets | | 4,467.90 | 4,067.22 |
| Total Assets | | 14,029.23 | 12,797.04 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | | 1,193.32 | 1,185.91 |
| (b) Other equity | | 5,512.77 | 5,510.69 |
| Total equity | | 6,706.09 | 6,696.60 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | 5 | 3,361.82 | 2,622.14 |
| (ii) Lease liability | | 104.32 | 86.20 |
| (iii) Other Financial Liabilities | | 0.40 | 0.40 |
| (b) Provisions | | 20.17 | 12.59 |
| (c) Deferred tax liabilities (Net) | | 191.16 | 192.01 |
| (d) Other Non-Current Liabilities | | 196.18 | 153.76 |
| Total Non-Current Liabilities | | 3,874.05 | 3,067.10 |
| Current liabilities | | | |
| (a) Financial Liabilities: | | | |
| (i) Borrowings | 6 | 1,780.55 | 1,401.14 |
| (ii) Lease liability | | 30.88 | 18.44 |
| (iii) Trade payables | | | |
| Total outstanding dues of Micro enterprises and small enterprises | | 38.54 | 49.45 |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises | | 1,072.05 | 976.90 |
| (iv) Other Financial Liabilities | | 269.03 | 259.03 |
| (b) Other Current Liabilities | | 216.34 | 222.91 |
| (c) Provisions | | 39.30 | 33.81 |
| (d) Current Tax Liabilities (Net) | | 2.40 | 71.66 |
| Total Current Liabilities | | 3,449.09 | 3,033.34 |
| Total Liabilities | | 7,323.14 | 6,100.44 |
| Total Equity & Liabilities | | 14,029.23 | 12,797.04 |

The above Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying notes 1- 16
Summary of significant accounting policies 2

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Rupen K. Bhatt
Partner
Membership Number: 046930

Place - Goa
Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN: 00286092

Place - Mumbai
Date - March 24, 2023



Vivek Valsaraj
Chief Financial Officer

Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary

Place - Mumbai
Date - March 24, 2023

PIRAMAL PHARMA LIMITED
Condensed Consolidated Statement of Profit and Loss for the period ended December 31, 2022

| Particulars | Note No. | For the period ended | For the period ended |
|--|----------|----------------------|----------------------|
| | | December 31, 2022 | December 31, 2021 |
| | | Rs. in Crores | Rs. in Crores |
| Revenue from operations | 8 | 4,917.97 | 4,427.74 |
| Other Income (Net) | | 200.61 | 197.66 |
| Total Income | | 5,118.58 | 4,625.40 |
| Expenses | | | |
| Cost of materials consumed | | 1,195.70 | 1,328.46 |
| Purchases of Stock-in-Trade | | 749.75 | 423.82 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | | (81.87) | (141.07) |
| Employee benefits expense | | 1,422.82 | 1,185.92 |
| Finance costs | | 239.93 | 141.19 |
| Depreciation and amortization expense | | 492.28 | 421.02 |
| Other expenses | | 1,354.60 | 1,078.91 |
| Total Expenses | | 5,373.21 | 4,438.25 |
| Profit / (Loss) before share of net profit of associates and joint ventures, exceptional items and tax | | (254.63) | 187.15 |
| Share of net profit of associates and joint ventures | | 46.55 | 39.97 |
| Profit / (Loss) after share of net profit of associates and joint ventures before exceptional items and tax | | (208.08) | 227.12 |
| Exceptional Items | 9 | (6.96) | (15.08) |
| Profit / (Loss) after share of net profit of associates and joint ventures and before tax | | (215.04) | 212.04 |
| Less: Income Tax Expense | | | |
| Current Tax | | 77.73 | 113.35 |
| Deferred Tax Credit | | (56.20) | (73.21) |
| Profit/ (Loss) for the period | | (236.57) | 171.90 |
| Other Comprehensive Income / (Loss) (OCI), net of tax expense: | | | |
| A. Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement of Post Employment Benefit Obligations | | (3.77) | 0.08 |
| Income Tax Impact on above | | 0.95 | (0.01) |
| | | (2.82) | 0.07 |
| B. Items that will be reclassified to profit or loss | | | |
| (a) Deferred gains on cash flow hedge | | (56.34) | (7.91) |
| (b) Exchange differences on translation of financial statements of foreign operations | | 222.25 | 37.29 |
| Income Tax Impact on above | | (4.57) | (0.42) |
| | | 161.34 | 28.96 |
| Other Comprehensive Income (OCI) for the period, net of tax expense | | 158.52 | 29.03 |
| Total Comprehensive Income/ (Loss) for the period, net of tax expense | | (78.05) | 200.93 |
| Earnings per equity share (Basic) (Rs.) (Face value of Rs. 10/- each) | 10 | (1.99) | 1.46 |
| Earnings per equity share (Diluted) (Rs.) (Face value of Rs. 10/- each) | 10 | (1.99) | 1.46 |

The above Condensed Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes 1- 16

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Rupen K. Bhatt
Partner
Membership Number: 046930

Place - Goa
Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN: 00286092

Place - Mumbai
Date - March 24, 2023



Vivek Valsaraj
Chief Financial Officer

Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary

Place - Mumbai
Date - March 24, 2023

Piramal Pharma Limited
Condensed Consolidated Cash Flow Statement for the period ended December 31, 2022

| | For the period ended December 31, 2022 Rs. In Crores | For the period ended December 31, 2021 Rs. In Crores |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/ (Loss) before share of net profit of associates and joint ventures, exceptional items and tax | (254.63) | 187.15 |
| Adjustments for : | | |
| Depreciation and amortisation expense | 467.33 | 405.03 |
| Provision written back | (49.80) | - |
| Finance Costs considered separately | 239.93 | 141.19 |
| Fair valuation of Financial assets | (7.73) | (13.42) |
| Amortisation of grants & Other deferred income | (29.37) | (27.55) |
| Interest Income on Financial assets | (1.07) | (0.52) |
| Amortisation of Right-of-use assets | 24.95 | 15.99 |
| (Gain)/Loss on Sale of Property Plant and Equipment | 0.27 | (0.11) |
| Profit on Sale on Current Investment (Net) | (1.26) | (1.90) |
| Write-down of Inventories | 108.50 | 25.81 |
| Expected Credit Loss on Trade Receivables | 33.12 | 1.47 |
| Unrealised foreign exchange loss | 85.94 | 8.31 |
| Operating cash flow before Working Capital Changes | 616.18 | 741.45 |
| Adjustments For Changes In Working Capital : | | |
| Adjustments for (increase) / decrease in operating assets | | |
| - Trade receivables | 103.92 | 369.42 |
| - Other Current Assets | (128.89) | (83.52) |
| - Other Non Current Assets | (9.22) | 12.43 |
| - Other Financial Assets - Non Current | 78.49 | (21.40) |
| - Inventories | (359.59) | (305.45) |
| - Other Financial Assets - Current | 44.47 | 17.69 |
| Adjustments for increase / (decrease) in operating liabilities | | |
| - Trade Payables | 45.87 | (15.81) |
| - Non - Current provisions | 1.65 | 3.46 |
| - Other Current Financial Liabilities | (18.76) | (5.15) |
| - Other Current Liabilities | (14.50) | 22.97 |
| - Current provisions | 0.44 | 0.88 |
| - Other Non-current Financial Liabilities | (0.00) | 10.77 |
| - Other Non-current Liabilities | (7.73) | - |
| Cash Generated from Operations | 352.33 | 747.74 |
| - Taxes Paid (Net of Refunds) | (174.06) | (141.29) |
| Net Cash Generated from Operating Activities | 178.27 | 606.45 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for Purchase of Property Plant and Equipment / Intangible Assets | (703.85) | (591.73) |
| Proceeds from Sale of Property Plant and Equipment / Intangible Assets | 5.57 | 25.16 |
| Purchase of Current Investments (Net) | (19.69) | (11.51) |
| Interest Received | 1.44 | 0.32 |
| Dividend received (net of TDS of Rs. 3.43 crores (December 21 - Rs 9.07 crores)) | 30.87 | 81.59 |
| Investment in Associate | (20.35) | (101.77) |
| Amount paid on acquisition of subsidiary | - | (790.74) |
| Transaction cost paid for acquisition of subsidiary | - | (15.08) |
| Net Fixed deposit placed during the period | (11.83) | - |
| Net Cash Used in Investing Activities | (717.84) | (1,403.76) |

Piramal Pharma Limited
Condensed Consolidated Cash Flow Statement for the period ended December 31, 2022

| | For the period ended December 31, 2022 Rs. In Crores | For the period ended December 31, 2021 Rs. In Crores |
|--|--|--|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Non - Current Borrowings | 2,091.55 | 828.09 |
| - Receipts | | |
| - Payments | (1,542.48) | (195.87) |
| Proceeds from Current Borrowings | | |
| - Receipts | 1,206.25 | 735.99 |
| - Payments | (910.27) | (649.16) |
| Lease payments | | |
| - Principal | (21.74) | (21.66) |
| - Interest | (5.35) | (4.52) |
| Finance Costs Paid | (182.58) | (92.88) |
| Dividend Paid | (67.00) | (50.00) |
| Net Cash Generated from Financing Activities | 568.38 | 549.99 |
| Net Increase/ (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)] | 28.81 | (247.32) |
| Cash and Cash Equivalents as at Opening | 85.18 | 261.98 |
| Add: Effect of exchange fluctuation on cash and cash equivalents | 1.58 | (2.04) |
| Add: Cash balance acquired (Refer Note : 14) | - | 76.74 |
| Cash and Cash Equivalents as at period end | 115.57 | 89.36 |
| Cash and Cash Equivalents Comprise of : | | |
| Cash on Hand | 1.45 | 0.13 |
| Bank Overdraft | (136.32) | (143.32) |
| Bank Overdraft | 250.44 | 232.55 |
| Balance with Scheduled Banks in Current Accounts | 115.57 | 89.36 |

Note

During the period, the Company has issued 95,46,54,800 (nos.) fully paid equity shares with face value of Rs. 10 each and security premium of Rs. 126.31 per share, aggregating to Rs. 13,012.90 crores in exchange of net assets of Demerged Undertaking pursuant to the Scheme (Refer note 14).

The above Condensed consolidated Statement of Cash flow should be read in conjunction with the accompanying notes 1 - 16

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants



Rupen K. Bhatt
Partner
Membership Number: 046930
Place - Goa
Date - March 24, 2023

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN:00286092
Place - Mumbai
Date - March 24, 2023



Vivek Valsaraj
Chief Financial Officer

Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary

Place - Mumbai
Date - March 24, 2023

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

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 APIs (Active Pharmaceutical Ingredients), FDFs (Finished Dosage Forms), 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 a listed Company incorporated and domiciled in India and has its registered office at Mumbai, India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

These Unaudited Condensed Consolidated Interim 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 Condensed Consolidated Balance Sheet as at December 31, 2022, the Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), the Condensed Consolidated Cash Flow Statement and the Condensed Consolidated Statement of Changes in Equity for the nine month period ended December 31, 2022 together with selected explanatory notes thereon (together hereinafter referred to as the "Unaudited Condensed Consolidated Interim Financial Information") have been prepared in accordance with Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The accounting policies followed in preparation of the Unaudited Condensed Consolidated Interim Financial Information are consistent with those followed in the preparation of the annual financial statements. The results of interim periods are not necessarily indicative of the results that may be expected for any interim period or for the full year. The Unaudited Condensed Consolidated Interim Financial Information are not complete set of financial information of the Company in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and is not intended to give a true and fair view of the state of affairs (financial position) of the Company, profit (financial performance including other comprehensive income), cash flows and the changes in equity.

Historical Cost convention

The Condensed 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 condensed consolidated statement of profit and loss and equity of subsidiaries are shown separately in the Condensed Consolidated statement of profit and loss, Condensed Consolidated statement of changes in equity and Condensed consolidated statement of assets and liabilities respectively.

b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but 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 information of associates to bring there accounting policies in line with those used by the other members of group.

c) 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.

d) 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 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

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

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 financial information of the transferor is aggregated with the corresponding balance appearing in the 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 consolidated condensed financial information in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

iv) (a) **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 Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Condensed 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 - 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

(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 Condensed 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 Condensed 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.

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

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.

(v) (b) **Goodwill**

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Goodwill is carried at cost less accumulated impairment losses.

vi) **Impairment of Assets**

The Group assesses at each Statement of Assets and Liabilities 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 Condensed 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.

vii) **Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the condensed statement of 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 condensed consolidated statement of 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 condensed consolidated statement of profit and 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 condensed statement of profit and 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 condensed consolidated statement of profit and loss and presented net in the condensed consolidated 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 Condensed 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.

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

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.

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.

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.

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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.

viii) **Trade Receivables**

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

ix) **Inventories**

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

x) **Employee Benefits**

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statements 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 Balance Sheet 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

- 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 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 assets and liabilities.

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.

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x) **Provisions and Contingent Liabilities**

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

xii) **Revenue recognition**

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

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

xiii) **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.

xiv) **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 consolidated financial information, the assets and liabilities of the group's foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from translation of intergroup 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.

xv) **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.

xvi) **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.

xvii) **Leases**

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.

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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 Statement of asset and liabilities and lease payments have been classified as financing cash flows.

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

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

xviii) **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.

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.

xix) **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.

xx) **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.

xxi) **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.

xxii) **Segment Reporting**

The Group is operating in single reportable segment of 'Pharma' in terms of Ind AS 108.

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

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 Balance Sheet.

xxv) **Rounding of amounts**
All amounts disclosed in the 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 financial information, management makes an assessment of the Company's ability to continue as going concern. Financial information is prepared on going concern basis unless management either intends to liquidate the Company 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 Company'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 Company is not regarded as going concern.

xxvii) **Subsequent Events**
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 Company may provide a disclosure in the 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. The Management believes that the estimates used in preparation of the 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.

ii) **Impairment of Goodwill**

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) **Useful life of Assets:**

Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Group. Depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv) **Deferred Taxes**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

v) **Functional Currency**

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.

vi) **Assessment of Significant influence**

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.

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

3. Property Plant & Equipment and Intangible assets

(Rs. In crores)

| Particulars | GROSS CARRYING AMOUNT | | | | | | ACCUMULATED DEPRECIATION | | | | | NET CARRYING AMOUNT | |
|---|------------------------------|--|---------------|-------------------------|---------------------|-----------------------------|------------------------------|------------------|-------------------------|---------------------|-----------------------------|---------------------------------|----------------------|
| | Opening as at April 01, 2022 | Balance acquired on Demerger (Refer note 14) | Additions | Deductions/ Adjustments | Exchange Difference | As at December 31, 2022 (A) | Opening as at April 01, 2022 | For the period # | Deductions/ Adjustments | Exchange Difference | As at December 31, 2022 (B) | As at December 31, 2022 (A)-(B) | As at March 31, 2022 |
| Property, Plant & Equipment | | | | | | | | | | | | | |
| Land Freehold | 130.04 | - | 0.05 | - | 2.59 | 132.68 | 1.60 | 0.18 | - | 0.01 | 1.79 | 130.89 | 128.44 |
| Building | 1,199.59 | 33.96 | 28.48 | - | 21.45 | 1,283.48 | 155.14 | 42.63 | - | 4.35 | 202.12 | 1,081.36 | 1,044.45 |
| Roads | 3.71 | 0.42 | 0.47 | - | 0.02 | 4.62 | 2.21 | 0.24 | (0.17) | 0.01 | 2.29 | 2.33 | 1.50 |
| Plant & Equipment | 2,965.59 | 24.54 | 228.20 | (11.87) | 117.75 | 3,324.21 | 1,317.80 | 217.30 | (6.69) | 64.52 | 1,592.93 | 1,731.28 | 1,647.79 |
| Furniture & fixtures | 66.57 | 1.19 | 2.45 | (0.23) | 2.05 | 72.03 | 36.57 | 6.60 | (0.22) | 1.22 | 44.17 | 27.86 | 30.00 |
| Office Equipment | 32.74 | 0.48 | 2.88 | (0.07) | 0.19 | 36.22 | 21.33 | 4.03 | (0.07) | 0.07 | 25.36 | 10.86 | 11.41 |
| Motor Vehicles | 1.27 | 0.28 | 0.79 | (0.36) | 0.01 | 1.99 | 0.79 | 0.29 | (0.18) | 0.00 | 0.90 | 1.09 | 0.48 |
| Total (I) | 4,399.51 | 60.87 | 263.32 | (12.53) | 144.06 | 4,855.23 | 1,535.44 | 271.27 | (7.33) | 70.18 | 1,869.56 | 2,985.67 | 2,864.07 |
| Intangible Assets | | | | | | | | | | | | | |
| Customer relations* | 130.69 | - | - | - | 10.18 | 140.87 | 57.91 | 10.35 | - | 3.81 | 72.07 | 68.80 | 72.78 |
| Product related Intangibles - Brands and Trademarks** | 2,757.31 | - | - | - | 199.33 | 2,956.64 | 798.57 | 112.39 | - | 47.31 | 958.27 | 1,998.37 | 1,958.74 |
| Product related Intangibles - Copyrights, Knowhow and Intellectual property rights* | 322.56 | - | 6.48 | - | 26.65 | 355.69 | 133.93 | 34.22 | - | 10.24 | 178.39 | 177.30 | 188.63 |
| Computer Software | 104.12 | - | 14.57 | (2.32) | 6.01 | 122.38 | 60.30 | 10.14 | (1.67) | 3.33 | 72.10 | 50.28 | 43.82 |
| Product Know-how | 587.28 | - | 13.51 | - | 4.60 | 605.39 | 45.16 | 28.96 | - | 2.94 | 77.06 | 528.33 | 542.12 |
| Total (II) | 3,901.96 | - | 34.56 | (2.32) | 246.77 | 4,180.97 | 1,095.87 | 196.06 | (1.67) | 67.63 | 1,357.89 | 2,823.08 | 2,806.09 |
| Grand Total (I + II) | 8,301.47 | 60.87 | 297.88 | (14.85) | 390.83 | 9,036.20 | 2,631.31 | 467.33 | (9.00) | 137.81 | 3,227.45 | 5,808.75 | 5,670.16 |

***Material Intangible Assets as on December 31, 2022 and March 31, 2022**

| Asset Class | Asset Description | Rs. in crores | | |
|--|-----------------------|--|-------------------------------------|---|
| | | Carrying Value as at December 31, 2022 | Carrying Value as at March 31, 2022 | Remaining useful life as on December 31, 2022 |
| Product-related Intangibles - Brands and Trademarks | Brands and trademarks | 245.71 | 269.94 | 2 years to 15 years |
| Product-related Intangibles - Brands and Trademarks | Purchased Brands | 1,793.22 | 1,718.19 | 16-21 years |
| Customer Relations | Purchased Brands | 37.38 | 41.29 | 6 years |
| Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights | Purchased Brands | 542.74 | 556.96 | 6 to 29 years |

Depreciation for the period ended December 31, 2022 includes depreciation amounting to Rs.5.97 Crores (Previous Year Rs. 7.88 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 Group, for which the necessary application has been made with trade mark registry.

Refer note 7B (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 December 31, 2022

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

3. Property Plant & Equipment and Intangible assets

(Rs. In crores)

| Particulars | GROSS CARRYING AMOUNT | | | | | | ACCUMULATED DEPRECIATION | | | | | NET CARRYING AMOUNT | |
|---|------------------------------|-----------------------------|---------------|-------------------------|---------------------|--------------------------|------------------------------|------------------|-------------------------|---------------------|--------------------------|------------------------------|----------------------|
| | Opening as at April 01, 2021 | Acquisition (Refer note 14) | Additions | Deductions/ Adjustments | Exchange Difference | As at March 31, 2022 (A) | Opening as at April 01, 2021 | For the period # | 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 | 0.00 | 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**

| Asset Class | Asset Description | Rs. in crores | | |
|--|-----------------------|-------------------------------------|-------------------------------------|--|
| | | Carrying Value as at March 31, 2022 | Carrying Value 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 to 30 years |

Depreciation for the period includes depreciation amounting to Rs. 7.88 Crores (Previous year: 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 7B (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

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.

Piramal Pharma Limited

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

| Particulars | As at December 31, 2022 Rs. in Crores | As at March 31, 2022 Rs. in Crores |
|--------------------------------------|--|---|
| 4 Cash & Cash equivalents | | |
| Balance with Banks | | |
| Current Account | 250.44 | 205.60 |
| Cheques on hand | - | 22.41 |
| Cash on Hand | 1.45 | 0.09 |
| | 251.89 | 228.10 |

Piramal Pharma Limited

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

| | As at December 31, 2022 Rs. in Crores | As at March 31, 2022 Rs. in Crores |
|---|---|--|
| 5 Non-Current Borrowings | | |
| Secured - at amortized cost | | |
| (i) Term Loan From Banks | | |
| - Rupee Loans | 306.37 | 277.97 |
| - Others | 2,657.09 | 2,145.02 |
| (ii) Redeemable Non Convertible Debenture | 398.36 | 199.15 |
| | 3,361.82 | 2,622.14 |

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Secured Term Loans from Banks & Others

(Rs. In Crores)

| Nature of Security | Terms of repayment | Principal Outstanding as at December 31, 2022 | Principal Outstanding as at March 31, 2022 |
|--|--|---|--|
| JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank. | Repayment in 20 quarterly instalments from Sept 2019 with lump payment at end of 5 years. Option to renew another 5 years. | - | 769.34 |
| JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank. | Repayment in quarterly instalments from June 2022 with lump 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 60 monthly instalments from June 2019 | - | 13.90 |
| City National Bank Florida Term Loan - vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Aug 2019 | 7.63 | 10.15 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Jun 2020 | 4.58 | 5.43 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Sep 2020 | 6.33 | 7.34 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Sep 2020 | 10.70 | 12.41 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Nov 2020 | 21.91 | 25.08 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Jan 2021 | 12.99 | 14.70 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Feb 2021 | 10.18 | 11.46 |
| Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Feb 2021 | 5.20 | 5.85 |
| Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Apr 2021 | 7.90 | 8.81 |
| State Bank of India London Branch Loan ("SBI") - All the assets except carved out vaporizers financed through PNC Bank and City National Bank of Florida of the Company are collateralised against the term loan of SBI | Repayment in quarterly instalments beginning March 31, 2023 | 1,432.18 | - |
| Negative mortgage 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 instalments after 24 months from the date of drawdown and final repayment date is June 30, 2029 | 156.33 | - |
| 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 | 472.24 | 506.10 |
| PCCUK-Charge on brands acquired on exclusive basis | Repayable in 13 quarterly instalments of \$ 5.29 Mn starting March 2022, followed by a lumpsum payment of \$ 46.23 Mn in June 2025 | 775.83 | 831.46 |
| 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 | 269.85 | 289.20 |
| 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 Quaterly instalments from Feb 2019 | 20.00 | 35.00 |
| 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 Quaterly instalments from Dec 2022 | 23.24 | 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 |

The coupon rate for the above loans are in the range of 3.25% to 9.14% per annum (Previous year: 2.79% [LIBOR+2.60%] to 7.70 % per annum).

* Guarantee was earlier given by PEL , however during the current period , the same has been transferred in the name of PPL

Piramal Pharma Limited

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

B. Redeemable Non Convertible Debenture

(Rs. In Crores)

| Nature of Security | Terms of repayment | Principal Outstanding as at December 31, 2022 | Principal Outstanding as at March 31, 2022 |
|--|---|---|--|
| First pari- passu charge over pool of selected tangible and intangible assets. | The amount of Rs. 200 Crores is redeemable at par in equal annual repayment at the end of 3rd, 4th and 5th year from the date of drawdown with a put and call option at the end of 3 years and 4 years. | 200.00 | 200.00 |
| First Pari-Passu charge over pool of selected tangible and intangible assets. | The amount of Rs.100 Crores is redeemable at par at the end of 3rd year | 100.00 | - |
| First Pari-Passu charge over pool of selected tangible and intangible assets. | The amount of Rs.100 Crores is redeemable at par in equal annual repayment at the end of 3rd, 4th and 5th year from the date of drawdown with a put and call option at the end of 3 years and 4 years. | 100.00 | - |

The rate for the above debentures is 7.90 % per annum to 8.60 % per annum (Previous year : 7.50 % per annum)

| | As at December 31, 2022 Rs. in Crores | As at March 31, 2022 Rs. in Crores |
|---|---|--|
| 6 Current Borrowings | | |
| Secured - at amortised cost | | |
| Loans from banks | | |
| - Working Capital Demand Loan | 679.69 | 307.44 |
| - Overdraft with banks (including PCRE & PCFC (Packing Credit Foreign Currency Loan)) | 337.13 | 309.51 |
| Unsecured - at amortised cost | | |
| Loans from banks | | |
| - Repayable on demand | 0.59 | 15.16 |
| Loans from Related Parties | 3.20 | 3.04 |
| Overdraft with banks | 0.08 | 23.61 |
| Current maturities of long-term debt | 759.86 | 742.38 |
| | 1,780.55 | 1,401.14 |

| Description of loan | Terms of repayment | Rate of Interest |
|--|--------------------|---------------------------|
| Secured Loans: | | |
| Working capital Demand Loan | At Call | 2.10 % to 8.05% per annum |
| Overdraft with banks | At Call | 3.94% to 6.65 % per annum |
| Others (PCRE) | At Call | 7.73% to 7.90 % per annum |
| Unsecured Loans: | | |
| Loans from Banks (Repayable on demand) | At Call | 1.64% to 4.25% per annum |

Piramal Pharma Limited

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

A. Working capital Demand Loan and overdraft

| Nature of Security | Terms of repayment | Principal Outstanding as at December 31, 2022 | Principal Outstanding as at March 31, 2022 |
|---|--|--|---|
| 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 WCCL from JP Morgan Chase Bank. | As we determine. 5 year term with renewable 5 year option | - | 0.75 |
| 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 | 44.13 | - |
| 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 March 29, 2023 | 25.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on March 6, 2023 | 30.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on March 3, 2023 | 30.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on February 24, 2023 | 49.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on February 17, 2023 | 50.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on February 14, 2023 | 75.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on February 10, 2023 | 49.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future. | Repayable on January 25, 2023 | 20.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future | Repayable on January 20, 2023 | 70.00 | - |
| 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 |
| 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) of the company | Payable after 364 days from the date of facility availed | - | 7.43 |
| Secured by trade receivables and and Inventory for North American sites | At Call | 72.39 | 39.79 |
| Secured by trade receivables for Canada sites | At Call | 84.83 | - |
| Secured by first priority perfected security interest in and lien on trade receivables and and Inventory for North American sites | At Call | - | 24.63 |

Piramal Pharma Limited
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

B. Pawning Credit loan (PCRE)

| Nature of Security | Terms of repayment | Principal Outstanding as at December 31, 2022 | Principal Outstanding as at March 31, 2022 |
|--|---------------------------------|--|---|
| First pari-passu charge over the company's Stocks & Receivables | Repayable on June 6, 2023 | 50.00 | - |
| First pari-passu charge over the company's Stocks & Receivables | Repayable on March 15, 2023 | 50.00 | - |
| First pari-passu charge over entire current assets of the company, both present and future | Repayable on March 14, 2023 | 50.00 | - |
| First pari-passu charge over the company's Stocks & Receivables | Repayable on March 11, 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 |

PIRAMAL PHARMA LIMITED

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

| | As at December 31, 2022 (Rs. in Crores) | As at March 31, 2022 (Rs. in Crores) |
|---|---|--|
| 7. Contingent liabilities and Commitments | | |
| A Contingent liabilities: | | |
| 1 Claims against the Company not acknowledged as debts: | | |
| Indemnity given to Navin Fluorine International Limited in relation to service tax matter where company is in appeal | 1.79 | 1.79 |
| Dispute with Telangana Pollution Control Board (TPCB) | 11.86 | 11.86 |
| Others | - | 1.52 |
| 2 Others: | | |
| i. Appeals filed in respect of disputed demands: | | |
| Income Tax | | |
| - where the Company is in appeal | - | 0.42 |
| Sales Tax | 2.49 | 1.06 |
| Central / State Excise / Service Tax / Customs | 30.74 | 23.76 |
| Labour Matters | 1.83 | 2.17 |
| ii. Unexpired Letters of Credit | 7.83 | 2.36 |
| B Commitments: | | |
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for | 266.89 | 292.15 |
| b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period | 19.94 | 28.37 |

PIRAMAL PHARMA LIMITED**Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022**

| Particulars | For the period ended December 31, 2022 | For the period ended December 31, 2021 |
|--|---|---|
| 8. Revenue From Operations | | |
| A. Revenue from contract with customers | | |
| Sale of products including excise duty | 4,178.86 | 3,767.56 |
| Sale of Services | 666.88 | 584.33 |
| Other operating revenues: | | |
| Processing Charges Received | 2.09 | - |
| Miscellaneous income | 70.14 | 75.85 |
| Total | 4,917.97 | 4,427.74 |

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 Group 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 period ended December 31, 2022**Revenue by product line/ timing of transfer of goods/ services**

| | At point in time | Over time |
|---------------------------|------------------|---------------|
| Global Pharma | 3,761.31 | 461.78 |
| Over the counter products | 622.65 | - |
| Total | 4,383.96 | 461.78 |

For the period ended December 31, 2021**Revenue by product line/ timing of transfer of goods/ services**

| | At point in time | Over time |
|---------------------------|------------------|---------------|
| Global Pharma | 3,389.90 | 433.68 |
| Over the counter products | 528.31 | - |
| Total | 3,918.21 | 433.68 |

Reconciliation of revenue recognised with contract price:

| Particulars | For the period ended December 31, 2022 | For the period ended December 31, 2021 |
|--|---|---|
| Sale of products and services at transaction price | 5,595.03 | 4,887.36 |
| Less: Discounts | 749.29 | 535.47 |
| Revenue recognised on sale of products and services | 4,845.74 | 4,351.89 |

9. Exceptional Items

| | | |
|----------------------------------|---------------|----------------|
| Transaction cost (Refer Note 14) | (6.96) | (15.08) |
| TOTAL | (6.96) | (15.08) |

PIRAMAL PHARMA LIMITED**Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022**

- 10 Earnings Per Share (EPS) - EPS is calculated by dividing the profit/ (Loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

| Particulars | For the period ended December 31, 2022 | For the period ended December 31, 2021 |
|---|---|---|
| 1. Profit/ (Loss) attributable to owners of Piramal Pharma Limited (Rs. in Crores) | (236.57) | 171.90 |
| 2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.)* | 1,18,90,90,922 | 1,17,65,84,820 |
| 3.Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) | 1,18,90,90,922 | 1,17,65,84,820 |
| 4. Earnings Per Share - Basic attributable to Equity Shareholders (Rs.) (1/2) | (1.99) | 1.46 |
| 5. Earnings Per Share - Diluted attributable to Equity Shareholders (Rs.) (1/3) | (1.99) | 1.46 |
| 6. Face value per share (Rs.) | 10.00 | 10.00 |

* 17,76,65,757 equity shares were issued as bonus shares on October 04, 2021 to the existing shareholders in the ratio 5.674:1 and bonus shares have been considered for computation of total weighted average number of equity shares to determine the basic and diluted earnings per share as per IND AS 33.

PIRAMAL PHARMA LIMITED

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

11 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 Holdins (Suisse) SA

C. 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

Employee Benefit Trusts

Piramal Pharma Limited employees PF trust (PPFT)

D. Subsidiaries

The Subsidiary companies including step down subsidiaries as on December 31, 2022

| Name of the Company | Principal Place of Business | Proportion of Ownership Interest held as at December 31, 2022 | Proportion of Ownership interest held as at December 31, 2021 |
|---|-----------------------------|---|---|
| Piramal Critical Care Italia, S.P.A** | Italy | 100% | 100% |
| Piramal Critical Care Deutschland GmbH** | Germany | 100% | 100% |
| Piramal Critical Care Limited ** | U.K. | 100% | 100% |
| Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada) | Canada | 100% | 100% |
| Piramal Critical Care B.V. ** | Netherlands | 100% | 100% |
| Piramal Pharma Solutions (Dutch) B.V. ** | Netherlands | 100% | 100% |
| Piramal Critical Care Pty. Ltd. ** | Australia | 100% | 100% |
| Piramal Healthcare UK Limited ** (Piramal Healthcare UK) | U.K. | 100% | 100% |
| Piramal Healthcare Pension Trustees Limited** | U.K. | 100% | 100% |
| Piramal Critical Care South Africa (Pty) Ltd ** | South Africa | 100% | 100% |
| Piramal Dutch Holdings N.V. | Netherlands | 100% | 100% |
| Piramal Healthcare Inc. @ | U.S.A | 100% | 100% |
| Piramal Critical Care, Inc. ** (PCCI) | U.S.A | 100% | 100% |
| Piramal Pharma Inc.** | U.S.A | 100% | 100% |
| Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions) | U.S.A | 100% | 100% |
| PEL Pharma Inc.@ | U.S.A | 100% | 100% |
| PEL Healthcare LLC** (w.e.f June 26, 2020) | U.S.A | 100% | 100% |
| Ash Stevens LLC ** (Ash Stevens) | U.S.A | 100% | 100% |
| Piramal Pharma II Private Limited | India | 100% | 100% |
| Piramal Pharma Japan GK (w.e.f November 05, 2021) | Japan | 100% | NA |
| Hemmo Pharmaceuticals Private Limited (till March 31, 2022) | India | NA | 100% |
| Convergence Chemicals Private Limited (till March 31, 2022) | India | NA | 100% |

** held through Piramal Dutch Holdings N.V.

@ 10% held through PPL and 90% held through Piramal Dutch Holdings N.V.

E. Associates and Joint Ventures

| Name of the Entity | Principal Place of business | % voting power held as at December 31, 2022 | Relationship as at December 31, 2022 |
|--|-----------------------------|---|--------------------------------------|
| Allergan India Private Limited (Allergan) | India | 49.00% | Associate |
| Yapan Bio Private Limited (Yapan) (w.e.f. December 20, 2021) | India | 33.33% | Associate |

PIRAMAL PHARMA LIMITED

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

F. Associates

| Name of the Entity | Principal Place of business | % voting power held as at December 31, 2021 | Relationship as at December 31, 2021 |
|---|-----------------------------|---|--------------------------------------|
| Allergan India Private Limited (Allergan) | India | 49.00% | Associate |
| Yapan Bio Private Limited | India | 27.78% | Associate |

G. Other related parties ***Employee Benefit Trusts :**

Piramal Pharma Limited Employees PF trust (PPFT)

H. Key Management Personnel (KMP)

Mr. Peter De Young

Ms. Nandini Piramal

Mr. Vivek Valsaraj (w.e.f February 9, 2022)

I. 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 current period

PIRAMAL PHARMA LIMITED
Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022
Details of transactions with related parties.

11A

| Details of Transactions# | Rs. In Crores | | | | | | | | | | | |
|---|-----------------|---------------|---------------|--------|-----------------------|--------------|---------------|--------|--------------|--------------|---------------|---------------|
| | Holding Company | | Subsidiaries | | Other Related Parties | | Joint Venture | | Associates | | Total | |
| | Dec-22 | Dec-21 | Dec-22 | Dec-21 | Dec-22 | Dec-21 | Dec-22 | Dec-21 | Dec-22 | Dec-21 | Dec-22 | Dec-21 |
| Purchase of Goods | | | | | | | | | | | | |
| - Piramal Glass USA Inc. | - | - | - | - | - | 0.91 | - | - | - | - | - | 0.91 |
| Total | - | - | - | - | - | 0.91 | - | - | - | - | - | 0.91 |
| Sale of Goods | | | | | | | | | | | | |
| - Allergan | - | - | - | - | - | - | - | - | 48.73 | 50.87 | 48.73 | 50.87 |
| - PEL | - | 639.65 | - | - | - | - | - | - | - | - | - | 639.65 |
| Total | - | 639.65 | - | - | - | - | - | - | 48.73 | 50.87 | 48.73 | 690.52 |
| Royalty charges | | | | | | | | | | | | |
| - Piramal Corporate Services Limited | - | - | - | - | - | 26.74 | - | - | - | - | - | 26.74 |
| Total | - | - | - | - | - | 26.74 | - | - | - | - | - | 26.74 |
| Contribution to Funds | | | | | | | | | | | | |
| - PFTT | - | - | - | - | 23.96 | 20.20 | - | - | - | - | 23.96 | 20.20 |
| Total | - | - | - | - | 23.96 | 20.20 | - | - | - | - | 23.96 | 20.20 |
| Dividend Income | | | | | | | | | | | | |
| - Allergan | - | - | - | - | - | - | - | - | 34.30 | 90.65 | 34.30 | 90.65 |
| Total | - | - | - | - | - | - | - | - | 34.30 | 90.65 | 34.30 | 90.65 |
| Receiving of services | | | | | | | | | | | | |
| - PEL | - | 41.14 | - | - | - | - | - | - | - | - | - | 41.14 |
| Total | - | 41.14 | - | - | - | - | - | - | - | - | - | 41.14 |
| Reimbursement of expenses | | | | | | | | | | | | |
| - PEL | - | 50.20 | - | - | - | - | - | - | - | - | - | 50.20 |
| Total | - | 50.20 | - | - | - | - | - | - | - | - | - | 50.20 |
| Rent Income | | | | | | | | | | | | |
| - PHL Fininvest Private Limited | - | - | - | - | - | 2.00 | - | - | - | - | - | 2.00 |
| Total | - | - | - | - | - | 2.00 | - | - | - | - | - | 2.00 |
| Rendering of services | | | | | | | | | | | | |
| - PGP Glass Private Limited | - | - | - | - | - | 0.05 | - | - | - | - | - | 0.05 |
| Total | - | - | - | - | - | 0.05 | - | - | - | - | - | 0.05 |
| Guarantee Commission | | | | | | | | | | | | |
| - PEL | - | 6.57 | - | - | - | - | - | - | - | - | - | 6.57 |
| Total | - | 6.57 | - | - | - | - | - | - | - | - | - | 6.57 |
| Guarantees given during the year | | | | | | | | | | | | |
| - Piramal Pharma Solutions Inc. | - | - | 543.97 | - | - | - | - | - | - | - | 543.97 | - |
| Total | - | - | 543.97 | - | - | - | - | - | - | - | 543.97 | - |

11B Balances of related parties.

| Details of Balances | Rs. In Crores | | | | | | | | | | | |
|--|-----------------|---------------|-----------------|---------------|-----------------------|--------------|---------------|--------|--------------|--------------|-----------------|---------------|
| | Holding Company | | Subsidiaries | | Other Related Parties | | Joint Venture | | Associates | | Total | |
| | Dec-22 | Mar-22 | Dec-22 | Mar-22 | Dec-22 | Mar-22 | Dec-22 | Mar-22 | Dec-22 | Mar-22 | Dec-22 | Mar-22 |
| Other receivable from related parties | | | | | | | | | | | | |
| - PEL | - | 11.99 | - | - | - | - | - | - | - | - | - | 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 |
| Total | - | 11.99 | - | - | - | 0.63 | - | - | - | - | - | 12.62 |
| Trade Payables | | | | | | | | | | | | |
| - Piramal Glass USA Inc. | - | - | - | - | - | 0.67 | - | - | - | - | - | 0.67 |
| - Piramal Corporate Services Limited | - | - | - | - | - | 21.51 | - | - | - | - | - | 21.51 |
| - PEL | - | 79.81 | - | - | - | - | - | - | - | - | - | 79.81 |
| Total | - | 79.81 | - | - | - | 22.18 | - | - | - | - | - | 101.99 |
| Trade Receivables | | | | | | | | | | | | |
| - PEL | - | 341.99 | - | - | - | - | - | - | - | - | - | 341.99 |
| - PGP Glass Private Limited | - | - | - | - | - | 0.06 | - | - | - | - | - | 0.06 |
| - Allergan | - | - | - | - | - | - | - | - | 11.35 | 10.15 | 11.35 | 10.15 |
| Total | - | 341.99 | - | - | - | 0.06 | - | - | 11.35 | 10.15 | 11.35 | 352.20 |
| Guarantees outstanding | | | | | | | | | | | | |
| - Piramal Healthcare UK Limited | - | - | 496.38 | 454.79 | - | - | - | - | - | - | 496.38 | 454.79 |
| - Piramal Pharma Solutions Inc. | - | - | 543.97 | - | - | - | - | - | - | - | 543.97 | - |
| Total | - | - | 1,040.35 | 454.79 | - | - | - | - | - | - | 1,040.35 | 454.79 |

PIRAMAL PHARMA LIMITED**Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022****11C** Compensation of key managerial personnel

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

| Particulars | (Rs. in Crores) | |
|--|-----------------|-------------|
| | Dec-22 | Dec-21 |
| Short-Term Employee Benefits | 9.61 | 8.07 |
| Post-Employment Benefits | 0.94 | 0.60 |
| Other Long Term Benefits | 0.21 | 0.54 |
| Commission and other Benefits to Non-Executive/Independent Directors | 0.96 | 0.20 |
| Total | 11.72 | 9.41 |

PIRAMAL PHARMA LIMITED**Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022**

12 Below table provides the geographical information in term of Ind AS 108:

Geographical Segments**(Rs. In Crores)**

| Particulars | Within India | | Outside India | | Total | |
|-------------------------|--------------|-------------|---------------|-------------|-------------|-------------|
| | December | December | December | December | December | December |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue from operations | 1,070.88 | 860.18 | 3,847.09 | 3,567.56 | 4,917.97 | 4,427.74 |

(Rs. In Crores)

| Particulars | Within India | | Outside India | | Total | |
|--|--------------|-----------|---------------|-----------|-------------|-----------|
| | December | March | December | March | December | March |
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Carrying amount of Non current Assets* | 3,000.43 | 2,855.12 | 5,874.62 | 5,249.59 | 8,875.05 | 8,104.71 |

* 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

13 Fair Value Measurement

Financial Instruments by category:

| a) Categories of Financial Instruments: | December 31, 2022 | | March 31, 2022 | |
|---|-------------------|-----------------|----------------|-----------------|
| | FVTPL | Amortised Cost | FVTPL | Amortised Cost |
| Financial Assets | | | | |
| Investments in Equity shares | 61.44 | - | 50.34 | - |
| Investments in Mutual funds | 57.91 | - | 37.01 | - |
| Cash & Bank Balances | - | 361.04 | - | 328.99 |
| Trade Receivables | - | 1,454.07 | - | 1,785.28 |
| Other Financial Assets | 21.59 | 82.13 | 7.48 | 138.94 |
| | 140.94 | 1,897.24 | 94.83 | 2,253.21 |
| Financial liabilities | | | | |
| Borrowings (including Current Maturities of Long Term Debt) | - | 5,142.37 | - | 4,023.28 |
| Trade Payables | - | 1,110.59 | - | 1,026.35 |
| Lease Liability | - | 135.20 | - | 104.64 |
| Other Financial Liabilities | 28.74 | 240.69 | - | 259.43 |
| | 28.74 | 6,628.85 | - | 5,413.70 |

b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| Financial Assets | December 31, 2022 | | | | | |
|---|-------------------|----------------|---------|---------|----------|----------|
| | Notes | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| Measured at FVTPL - Recurring Fair Value Measurements | | | | | | |
| Investments | | | | | | |
| Investments in Equity Shares | iii | 61.44 | - | - | 61.44 | 61.44 |
| Investment in Mutual Funds | i | 57.91 | 57.91 | - | - | 57.91 |
| Other Financial Assets - Current | | | | | | |
| Derivative Financial Assets | ii | 21.59 | - | 21.59 | - | 21.59 |
| Financial Liabilities | | | | | | |
| Measured at Amortised Cost for which fair values are disclosed | | | | | | |
| Borrowings (including Current Maturities of Long -Term Borrowings) | iii | 5,142.37 | - | - | 5,142.37 | 5,142.37 |
| Measured at FVTPL - Recurring Fair Value Measurements | | | | | | |
| Derivative Financial Liability | ii | 28.74 | - | 28.74 | - | 28.74 |
| Financial Assets | March 31, 2022 | | | | | |
| | Notes | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| Measured at FVTPL - Recurring Fair Value Measurements | | | | | | |
| Investments | | | | | | |
| Investments in Equity Shares | iii | 50.34 | - | - | 50.34 | 50.34 |
| Investment in Mutual Funds | i | 37.01 | 37.01 | - | - | 37.01 |
| Other Financial Assets | | | | | | |
| Derivative Financial Assets | ii | 7.48 | - | 7.48 | - | 7.48 |
| 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 |

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 financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration, Debentures, Term Loans, investment in Alternate Investment Funds and ICDs included in level 3.

PIRAMAL PHARMA LIMITED**Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022****Valuation techniques used to determine the fair values:**

- i. This includes mutual funds and equity shared which are fair valued using quoted prices and closing NAV in the market.
- ii. This includes forward exchange contracts. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date.
- iii. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended December 31, 2022 and March 31, 2022.

| (Rs. in Crores) | |
|---|--------------|
| Particulars | |
| As at March 31, 2021 | 13.00 |
| Acquisitions | 15.44 |
| Gains recognised in profit or loss | 21.18 |
| Exchange Fluctuations | 0.72 |
| As at April 1, 2022 | 50.34 |
| Unrealised gain included in the condensed consolidated Statement of Profit and Loss | 7.02 |
| Exchange Fluctuations | 4.08 |
| As at December 31, 2022 | 61.44 |

- d) Management uses its best judgment in estimating the fair value of its financial instruments (including impact on account of Covid-19). However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each period end.

PIRAMAL PHARMA LIMITED**Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022****14 Business Combinations****A. Summary of acquisitions during the current period****Composite scheme of arrangement**

The Composite Scheme of Arrangement 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'), submitted pursuant to the approval of Board of Directors of the Company at their meeting held on October 7, 2021, has been 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) on provisional basis in accordance with Ind-AS 103 'Business Combination', cancellation of 94,72,49,806 (nos.) equity shares of face value of Rs. 10 each issued to PEL and fresh issuance of 95,46,54,800 (nos.) equity shares of face value of Rs. 10 each to the shareholders of PEL, and elimination of inter-company transactions, (including dividend) for the interim period (i.e. from appointed date to approval date).

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 Company acquired control over these subsidiaries, whichever is later, in line with Appendix-C of Ind-AS 103.

The Company 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).

(a) The fair value of assets and liabilities recognised as a result of acquisition stated in (a) above are as follows:

| Particulars | Rs. in Crores |
|---|---------------|
| Assets | |
| Property, Plant and Equipment | 60.87 |
| Capital work in progress | 3.40 |
| Right of use assets | 9.99 |
| Other Non-current Financial Assets | 2.65 |
| Inventory | 212.91 |
| Trade Receivables | 134.46 |
| Other current Financial Assets | 55.78 |
| Other current Assets | 74.43 |
| Total Assets | 554.49 |
| Liabilities | |
| Trade payable | 459.18 |
| Deferred tax liability | 4.24 |
| 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 | 483.68 |
| Net identifiable assets acquired | 70.81 |

(b) Calculation of goodwill

| Particulars | Rs. in Crores |
|--|---------------|
| Consideration | 100.93 |
| Less: Net identifiable assets acquired | 70.81 |
| Goodwill | 30.12 |

(c) Credit/Charge to P&L

Cost in relation to merger of pharma division of Rs.6.96 Crores were charged to Consolidated Statement of Profit and Loss for the period ended December 31, 2022 under the head - Exceptional items.

(d) 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.

(e) Acquired Receivables

| Particulars | Rs. 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. Summary of acquisitions during the previous period**(i) Acquisition of Hemmo Pharmaceuticals Private Limited (Hemmo)**

On June 22, 2021, the Company completed the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') pursuant to an agreement entered on March 31, 2021 for total cash consideration of Rs. 775 crores. The Company has accounted for the acquisition date values of assets and liabilities on basis in accordance with Ind AS 103.

Apart from the above consideration, Rs. 36.56 crores was paid for final working capital adjustments.

The agreement also provides for an additional contingent consideration of Rs. 89.91 crores payable depending on achievement of certain financial milestones by the acquired business.

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

| Particulars | Rs. 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 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 |
| Current tax liabilities | 1.57 |
| Current Provisions | 0.43 |
| Total Liabilities | 84.67 |
| Net identifiable assets acquired | 756.41 |

(b) Calculation of goodwill

| Particulars | Rs. in Crores |
|--|---------------|
| Purchase consideration | 901.47 |
| Less: Net identifiable assets acquired | 756.41 |
| Goodwill | 145.06 |

(c) Revenue and profit contribution

The revenues and profits contributed to the group for the period ended December 31, 2021 are as follows:

| Particulars | Rs. in Crores |
|-------------------|---------------|
| Revenue | 70.47 |
| Profit before tax | 19.56 |

(d) Credit/Charge to P&L

Acquisition costs of Rs. 15.08 Crores were charged to Consolidated Statement of Profit and Loss for the year ended December 31, 2021 under the head - Exceptional items.

(e) Purchase consideration - cash outflow

| Particulars | Rs. in Crores |
|--|---------------|
| Net outflow of cash - investing activities | 790.74 |

PIRAMAL PHARMA LIMITED

Notes to the Unaudited Condensed Consolidated financial information for the period ended December 31, 2022

- 15** The Board of Directors of the Company has approved the issuance of equity shares of the Company (the "Equity Shares") for an amount not exceeding Rs. 1,050 crore (Rupees one thousand fifty crore) by way of a rights issue to the eligible equity shareholders of the Company as on the record date (to be determined and notified subsequently), in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Companies Act, 2013 and other applicable laws, at such price and on such terms and conditions as may be decided by the Board or a duly constituted committee of the Board in accordance with applicable laws, subject to receipt of necessary approvals, as may be required.
- 16** On December 20, 2021, the Company had entered into agreements and acquired 27.78% stake in Yapan Bio Private Limited ('Yapan') for an investment of Rs. 101.77 crores (cash consideration). On April 4, 2022, the Company has acquired an additional stake of 5.55% in Yapan for an investment of Rs. 20.35 crores (cash consideration) and thus the aggregate stake in Yapan is 33.33%. The Company had accounted for the acquisition in accordance with Ind AS 28.

Signature to note 1 to 16 of the Unaudited Condensed Consolidated financial information.

For and on behalf of the Board of Directors



Nandini Piramal
Chairperson
DIN:00286092
Place - Mumbai
Date - March 24, 2023



Vivek Valsaraj
Chief Financial Officer
Place - Mumbai
Date - March 24, 2023



Tanya Sanish
Company Secretary
Place - Mumbai
Date - March 24, 2023