Piramal
Pharma Limited

6th July, 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

Dear Sir / Madam,

Sub: Notice of the 3rd Annual General Meeting ('AGM') and Annual Report for the financial year 2022–23

In furtherance to our intimation dated 24th May, 2023, informing details about the 3rd AGM of the Company to be held on Monday, July 31, 2023 at 3:00 p.m. (IST) through Video Conferencing / Other Audio Visual Means and pursuant to Regulations 34(1) and 53(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23 including the Business Responsibility & Sustainability Report and the Notice convening AGM.

The said Annual Report along with the Notice of AGM is also available on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/

Kindly take the above on record.

Thanking you,

Yours truly,
For **Piramal Pharma Limited**

TANYA SANISH
Digitally signed by TANYA SANISH
Date: 2023.07.06 20:26:29 +05'30'

Tanya Sanish
Company Secretary

Encl.: a/a

Becoming Simpler. Emerging Stronger.

Piramal Pharma Limited
Annual Report 2022-23

Contents

https://www.piramal.com/

Becoming Simpler. Emerging Stronger.

Piramal Pharma Limited embarked on a fresh journey since its regulatory approval for the demerger. With a global presence and an extensive portfolio of diversified products and services, it is committed to delivering excellence. Guided by its core values of Knowledge, Action, Care, and Impact, the Company prioritizes the needs of its stakeholders and aims to make a positive difference in their lives.

The demerger provided the Company with an opportunity to streamline its corporate structure and focus on growth strategies, thus solidifying its market position. Moving forward, it remains dedicated to simplicity, customer centricity, and innovation-led research. By embracing these principles, Piramal Pharma is poised to emerge stronger, creating a lasting impact in the global pharmaceutical landscape.

Piramal Pharma Limited at a Glance

An Overview

Piramal Pharma Limited (PPL) is a global pharmaceutical company offering a portfolio of differentiated products and services through its 17 development and manufacturing facilities having end-to-end capabilities and a worldwide distribution network in over 100 countries.

While PPL was incorporated in March 2020, it was originally a part of Piramal Enterprises Limited (PEL)–a company with a track record of building a scalable and differentiated pharmaceutical business. As the pharma business of PEL grew, a scheme of arrangement was entered into in October 2021 to simplify the group structure and consolidate all pharma businesses under Piramal Pharma Limited. PPL demerged from PEL and listed on BSE and NSE on October 19, 2022.

PPL operates under three business verticals:

Piramal Pharma Solutions (PPS)–An integrated contract development and manufacturing organisation (CDMO)

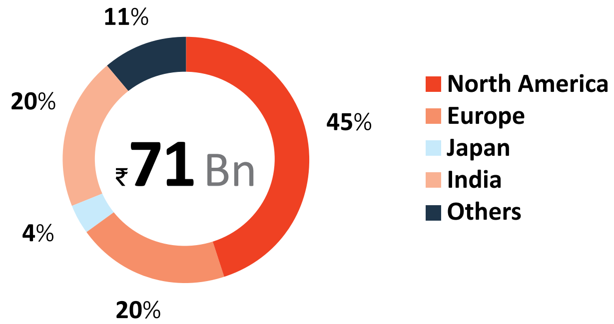
Piramal Critical Care (PCC)–A complex hospital generics (CHG) business

India Consumer Healthcare (ICH)– The business of selling over-the-counter products.

In addition, one of PPL's associate companies, **Allergan India Private Limited**, a JV with AbbVie Inc., is one of the market leaders in ophthalmology therapy in India.

Further, PPL has a minority investment of 33.33% in **Yapan Bio** that operates in the biologics/ bio-therapeutics and vaccine segments.

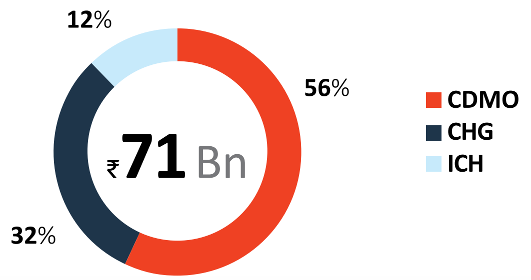
FY2023 Revenue by Geography



69%

Revenue from regulated markets of North America, Europe and Japan

FY2023 Revenue by Business Verticals



Core Values

Knowledge	**Expertise** We strive for a deeper understanding of our domain.	**Innovation** We aspire to do things creatively.
Action	**Entrepreneurship** We are empowered to act decisively and create value.	**Integrity** We are consistent in our thought, speech and action.
Care	**Trusteeship** We protect and enhance the interests of our customers, community, employees, partners and shareholders.	**Humility** We aspire to be the best, yet strive to be humble.
Impact	**Performance** We strive to achieve market leadership in scale and profitability, wherever we compete.	**Resilience** We aspire to build businesses that anticipate, adapt and endure for generations.

We stay true to our purpose of 'Doing Well and Doing Good' by following three basic tenets:

Serving our patients, customers, consumers, community, employees, partners, stakeholders, and our planet.

Making a positive difference to the health of our patients and customers through our products and services.

Living our values in our everyday actions, decisions and conduct at a personal and corporate level.

Introduction to PPL Business Verticals

Diversified Business Model

CDMO Business

Piramal Pharma Solution provides integrated drug discovery, development, and manufacturing services for both drug substances, i.e. active pharmaceutical ingredients (APIs) and drug products, i.e. formulations across the life cycle of a molecule, from discovery and clinical development to commercial launch.

Complex Hospital Generic Business

Piramal Critical Care's complex hospital product portfolio comprise of over 35 hospital-focused products in the areas of inhalation anaesthesia, injectable anaesthesia and pain management, intrathecal therapy and other injectables. These products are sold in over 100 countries to more than 6,000 hospitals.

India Consumer Healthcare Business

India Consumer Healthcare business has a diverse portfolio of over 30 OTC products across categories of analgesics, skin care, vitamin/mineral supplement, kids' wellness, digestives, women's health, and hygiene and protection. The Company also has a manufacturing and distribution agreement with Bayer Pharmaceuticals Private Limited for their brands such as Saridon, Supradyn, Becozym and Benadon, among others.

Key Highlights of the CDMO Business

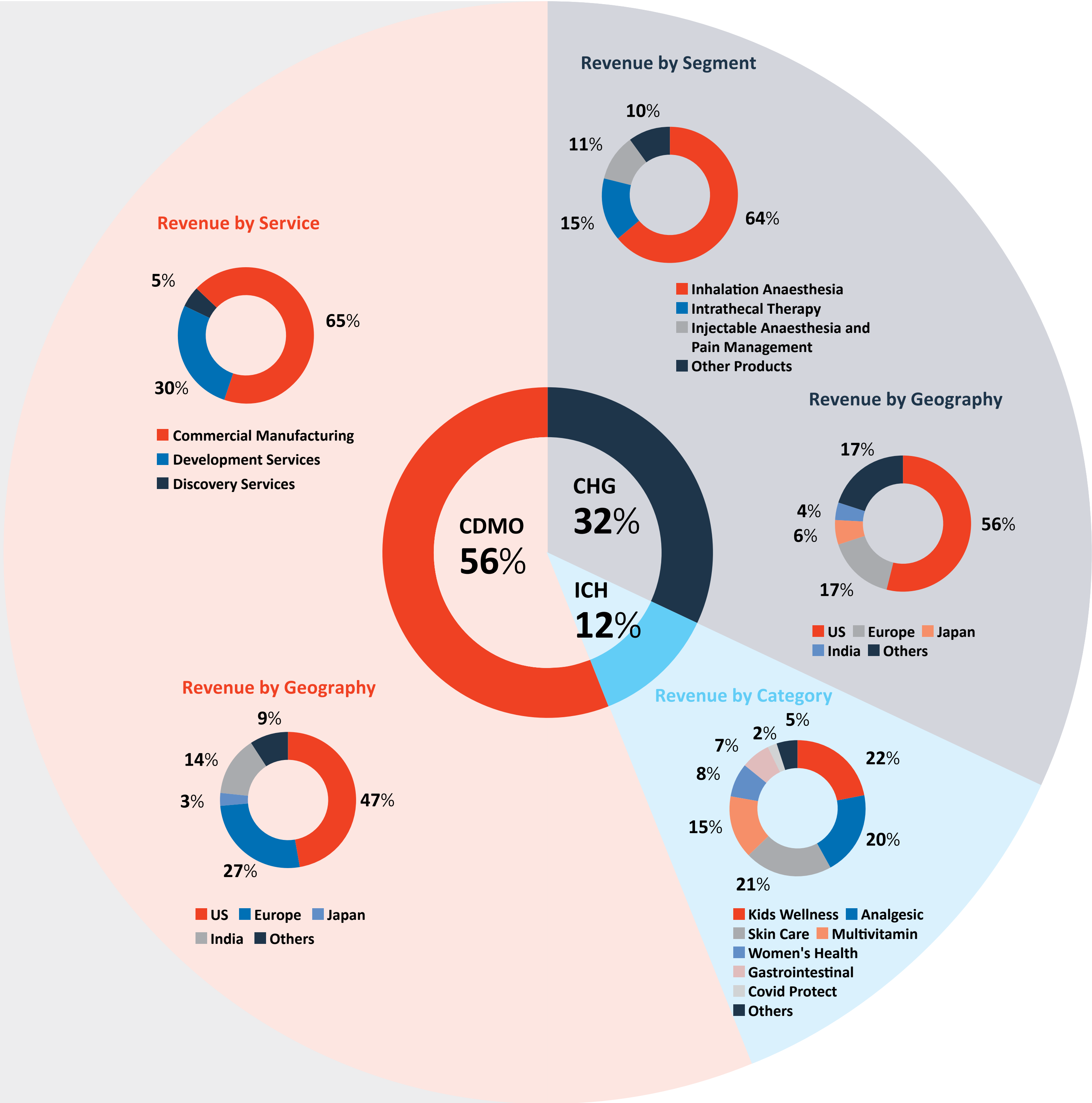
- Global manufacturing footprint with development and manufacturing facilities located in India, UK and North America
- Service offerings across the life cycle of the molecule
- Deep pipeline of development projects across multiple phases, Pre-clinical to Phase III
- Diversified customers base across innovator pharma, emerging biopharma and generic pharma companies
- Differentiated Offerings: High potency APIs, Antibody Drug Conjugates ('ADC'), Peptides, Sterile injectables and Hormonal products
- Offer Integrated Services: Executed over 100 integrated projects involving more than one facility
- Best-in-class quality and compliance track record: Successfully cleared 36 regulatory inspections in FY2023

Key Highlights of the CHG Business

- Fourth* largest company globally in inhalation anaesthesia market comprising of Sevoflurane, Desflurane, Isoflurane and Halothane
- Market Leadership*:Leading player in Sevoflurane and Baclofen pre-filled syringe and vial in the US market
- Differentiated Product Portfolio: Capabilities in inhalation anaesthesia and intrathecal therapies that are complex and capital intensive
- Vertically Integrated manufacturing capabilities for inhalation anaesthesia
- Global marketing and distribution network across 100+ countries and in over 6,000 hospitals, surgical centres, and veterinary clinics
- Direct sales force in the US having relationship with GPOs (Group Purchase Organisations)
- Product pipeline of 25+ SKUs in various stages of development

Key Highlights of the ICH Business

- Focus on Power Brands such as Little's, Lacto Calamine, I-Pill, Polycrol, and Tetmosol with continuous investments in brand promotion and marketing
- Launching Multiple New Products and Brand Extensions: 26 new products and 37 new SKUs launched in FY2023
- Well entrenched in traditional channels like chemist and cosmetic stores, kids, toys and gift shops
- Strengthening presence in alternate channels like modern trade and e-commerce
- Launched its own e-commerce website, wellify.in, to strengthen its presence on e-commerce platform
- Technology-enabled sales coverage to track the productivity of the field force



* Source: IQVIA MIDAS MAT® December 2022

Geographical Presence

Operating Across the Globe

1 Lexington, USA
Sterile Development and Manufacturing
USFDA, PMDA

2 Riverview, USA
HPAPI Development and Manufacturing
USFDA, PMDA, HC

3 Aurora, Canada
API Development and Manufacturing
USFDA, PMDA, HC

4 Sellersville, USA
Formulation Development and Manufacturing
USFDA, EMA

5 Bethlehem, USA
Anaesthesia Manufacturing
USFDA, MHRA, PMDA

6 Morpeth, UK
API and Formulation Manufacturing
USFDA, MHRA, PMDA, HC

7 Grangemouth, UK
ADC Development and Manufacturing
USFDA, MHRA, PMDA

Shanghai, China
Sourcing Office

8 Ahmedabad PDS, India
R&D - Discovery services

9 Ahmedabad PPDS, India
Formulation Development
FIMEA Finland

10 Pithampur, India
Formulation Manufacturing
USFDA, FIMEA Finland

11 Dahej, India
Specialty Fluorochemicals
WHO-GMP

12 Digwal, India
API Development & Manufacturing
Anaesthesia Manufacturing
USFDA, MHRA, PMDA

13 Ennore, India
API Development and Manufacturing
WHO-GMP

14 Mahad, India
Vitamins and Minerals Premixes
USFDA, WHO-GMP

15 Turbhe, India
Peptide API Development and Manufacturing
USFDA, WHO-GMP, EDQM, KFDA, AIFA

16 Rabale, India
R&D-API Development

17 Thane, India
Peptide API R&D

17
Development and manufacturing sites

100+
Countries with commercial presence

500+
CDMO customers

6,000+
CHG customers (hospitals)

Evolution of the Company

Piramal Pharma's Phases of Evolution

1988

Nicholas Laboratories

- Entered the pharma space through the acquisition of Nicholas Laboratories in 1988
- Series of M&As, JVs and Alliances and various organic initiatives

2010

Piramal Healthcare

- Domestic Formulations
- Pharma Solutions (CDMO)
- Critical Care (CHG)
- OTC (ICH)
- JV with Allergan
- Diagnostic Services

- Created scalable and differentiated pharmaceutical company over two decades
- Sold the Domestic Formulations business to Abbott in 2010
- Sold Diagnostic Services to Super Religare Laboratories in 2010

2020

Piramal Enterprises Limited

Piramal Pharma	Financial Services
CDMO	Wholesale Lending
Complex Hospital Generics	Multi-product Retail Lending
India Consumer Healthcare	Alternative AUM
JV with Allergan	Other Investments

- Significantly scaled up the pharma businesses since Abbott deal
- Built a large, well-diversified Financial Services business
- Subsidarized pharma businesses into PPL and raised fresh capital from Carlyle
- Strengthened the balance sheet through multiple capital raise initiatives

2022

Piramal Pharma Limited

- CDMO
- Complex Hospital Generics
- India Consumer Healthcare
- JV with Allergan

- Piramal Pharma demerged from Piramal Enterprises Limited
- PPL listed on BSE and NSE on October 19, 2022
- This enabled simplification of corporate structure and facilitate each entity to pursue their growth strategies with sharper focus

Key Highlights of the Year

Making an Impact

Demerger and Simplification of Corporate Structure

Piramal Pharma Ltd. demerged from Piramal Enterprises Ltd. and listed as a separate entity on BSE and NSE on October 19, 2022

Strengthening governance architecture by having dedicated Board and Management teams with core experiences of the business

Facilitating business independence in pursuing growth plans, organically and inorganically

Enabling analyst and investor community to better understand each sector-focused listed entity

Optimising capital structure with access to industry relevant sources of funds

Environment, Social and Governance (ESG)

Established robust ESG framework to serve as a guide for Company's strategic and operational imperatives in the areas of Environment, Social and Governance

Released the Company's Sustainability Report with over 50 time-bound sustainability targets

Took initiatives in the key areas of energy management, climate change management, water stewardship, waste management, human capital management, occupational health and safety, community development

Responded to CDP Climate Change and Water Security 2022

Developed decarbonisation plans to reduce Scope 1 and Scope 2 Green House Gas (GHG) emission in alignment with SBTI (Science Based Target Initiatives)

Diversified Board

Strengthened the Board with the inclusion of the following Directors

S. Ramadorai
Non-Executive, Independent Director

Peter Stevenson
Non-Executive, Independent Director

Nathalie Leitch
Non-Executive, Non-Independent Director

Jairaj Purandare
Non-Executive, Independent Director

Sridhar Gorthi
Non-Executive, Independent Director

Vibha Paul Rishi
Non-Executive, Independent Director

Neeraj Bharadwaj
Non-Executive, Non-Independent Director

CDMO Business

Went live with new capacities at Riverview facility (US)

Went live with capacity enhancement at peptide facility at Turbhe (India)

Introduced a new in-vitro lab at Ahmedabad PDS site

Inaugurated a new API plant at Aurora (Canada)

Witnessed significant pick up in order bookings in Q4 FY2023

Undertaking cost optimisation, operational excellence measures and strategising procurement to mitigate inflationary pressures and improve profitability

Complex Hospital Generics Business

Inhalation anaesthesia sales in the US witnessed robust volume growth driving market share gains

Expanding capacities at Digwal and Dahej facilities to cater to the growing demand for Sevoflurane

Intrathecal portfolio in the US continued to command leading market share

Building pipeline of new products which are at various stages of development

3
New products (10 SKUs) launched during FY2023

India Consumer Healthcare Business

Continuous efforts in marketing and brand building driving strong growth in power brands

Strong traction in e-commerce

Launched own D2C platform, Wellify.in, to bolster e-commerce presence

26
New products launched during FY2023

37
New SKUs launched during FY2023

Best-in-Class Quality and Compliance Track Record

36 successful regulatory inspections completed during the year

4 successful US FDA inspections in FY2023*

Successfully cleared multiple customer audits

Company's manufacturing units have not received any OAIs since 2011

* Received nil observations in two US FDA inspections and EIR in remaining two US FDA inspections

Leadership Message

An Eventful Year

Nandini Piramal
(Chairperson)

Dear Shareholders,

It gives us pleasure to present to you our first Annual Report as an independent pharmaceutical company. FY2023 was an eventful year for us. In August 2022, we received the regulatory approval for the demerger from our parent company, Piramal Enterprises Limited, and, subsequently, we were listed on the Indian stock exchanges on October 19, 2022.

We are seeing a good underlying demand for our integrated CDMO services, especially in the niche capability areas of high potent APIs, antibody drug conjugates, peptides, sterile injectable, and hormonal products.

The demerger simplifies our corporate structure, strengthens our governance architecture with dedicated Board, optimises our capital structure, and facilitates our businesses to independently pursue growth plans. It was a significant milestone for us and also the start of new journey – a journey to scale up our businesses, optimise our profitability, integrate sustainability in our operations, and maintain high level of quality in all our products and services.

Today, we are a diversified global pharmaceutical company with presence across three business verticals – Contract Development and Manufacturing Organisation, Complex Hospital Generics, and India Consumer Healthcare. We have commercial presence spreads across over 100 countries, including regulated markets of US, Europe and Japan. We have a diversified manufacturing footprint with 17 development and manufacturing facilities spread across India, United Kingdom, and North America, enabling market proximity for customers and a cost efficient production cycle. We have built a strong platform with a team of over 6,200 committed employees, investments in niche capabilities and product portfolio, best-in-class quality and compliance track record, and unwavering commitment towards environment and society. We believe this platform will help us deliver sustainable growth over the long term and create value for all our stakeholders, including our customers, patients, employees, value chain partners, and shareholders.

FY2023 was a challenging year marked by rising interest rates, geopolitical uncertainty, post-pandemic demand-supply volatility, and significant rise in energy prices. All these external factors had a meaningful impact on our financial performance. During the year, our revenue from operations grew by 8% on a YoY basis to ₹7,082 Crores, with our CDMO business registering a YoY growth of 7%, while our CHG business and ICH business delivered a growth of 14% and 6%, respectively. Like-to-like, YoY growth in our ICH business was 16%.

Our reported EBITDA margin for the year was 12%, impacted by lower revenue growth, wage inflation, high

Peter DeYoung
(CEO, Global Pharma)

In our Complex Hospital Generic business, we are witnessing a healthy demand for our inhalation anaesthesia products.

inflationary pressure and addition of fixed cost at sites that were undergoing capacity expansion. We also had some non-recurring cost such as inventory margin on account of demerger and provisions for near expiry inventory and receivable from a biotech customer. Adjusting for these non-recurring cost, the EBITDA margin was 15%.

We have already started taking initiatives towards cost optimisation and improvement in operational efficiencies to offset inflationary pressures and improve our profit margins. In terms of capex, we invested ₹965 Crores, mainly towards the expansion of facilities that are witnessing high demand, such as Riverview, Grangemouth, Turbhe, and Ahmedabad.

CDMO Business

The global CDMO industry is seeing a healthy underlying demand as pharmaceutical companies continue to increase outsourcing to integrated service providers to gain access to specialised knowledge and technology, lower capex spends, increase speed to market and increase focus on core competencies. Demand for generic medicines and biologics is also rising every year, which is leading pharma companies to partner with contract manufacturing companies to gain access to their low-cost manufacturing capacities in the emerging markets.

We are seeing a good underlying demand for our integrated CDMO services especially in the niche capability areas of high potent APIs, antibody drug conjugates, peptides, sterile injectable, and hormonal products. During FY2023, we also witnessed a robust demand for our discovery services. Customer visits to our facilities, which were affected in FY2021 and FY2022 due to COVID-led travel restrictions, picked up in the second half of FY2023 as international travel normalised. These visits are an important step before customers place their order with a CDMO company. While the RFP in-flows remained buoyant during the year, customer decision-making saw a delay due to the macro-economic environment and pipeline prioritisation based on limited capital availability, especially for the emerging biotech companies. This impacted our order in-flows and hence our revenue growth.

Leadership Message

Our consumer business recorded a healthy revenue growth in FY2023, driven by our power brands, Little's, Lacto Calamine, I-Pill, Polycrol, and Tetmosol.

Also the growth in our nutraceutical business was impacted by low-priced imports of vitamins, especially from Europe and China. We have been proactively taking measures to face the competition arising from unfairly low-priced imports and have made an application before the Directorate General of Trade Remedies, Government of India for initiation of anti-dumping duties investigation concerning imports of Vitamin-A Palmitate.

However, during the last quarter of the financial year, we witnessed a significant pick up in order in-flows which should help us drive growth. We went live with capacity expansion at our Riverview and Turbhe facilities, which are witnessing good demand. We also started a new in-vitro lab at our Ahmedabad facility to further complement our offerings and to keep up with the requirements of our customers.

Complex Hospital Generic Business

In our Complex Hospital Generic business, we witnessed a healthy demand for our inhalation anaesthesia products. In order to meet this growing demand, we conducted debottlenecking exercises at our facilities in India and the US. We are also further expanding our capacities at Dahej and Digwal facilities. As per IQVIA data, we are currently the fourth largest player globally as per US$ value for a combined market of Sevoflurane, Desflurane, Isoflurane and Halothane. We are also the leading player in terms of market share in Sevoflurane in the US market. Further, our vertical integration in inhalation anaesthesia provides us with not only the cost advantage, but also helps us have better control over the supply chain.

In the intrathecal therapy segment in the US, we continue to command leading market share. As per IQVIA data, our brand Gablofen ranks as the number one brand in the US market in the Baclofen pre-filled syringe and vial category.

In the injectable pain management portfolio, we experienced temporary supply constraints as we transitioned manufacturing from Janssen to our own preferred lower cost CMO. However, we were largely able to address the supply constraints by the end of the financial year. As per IQVIA data, our brand Fentanyl (ampoules) continues to maintain its number one ranking by US$ value in the Japan, South Africa, and Indonesia markets.

India Consumer Healthcare Business

During the FY2022, our India Consumer Healthcare business recorded a robust YoY revenue growth of 48% helped by COVID-19 tailwinds. Despite this high base of FY2022, our consumer business recorded a healthy like-to-like revenue growth of 16% in FY2023. This was mainly driven by our power brands, Little's, Lacto Calamine, I-Pill, Polycrol, and Tetmosol, which registered a strong YoY growth of 37% during the year and contributed 42% to our total consumer healthcare revenue.

We also continue to invest significantly on our brand building activities through media and trade promotions to build strong brands with wide consumer base. Simultaneously, we are also widening our reach in general trade, modern trade, and e-commerce platform to increase the availability of our brands. During the year, we witnessed a strong traction on the e-commerce platform which contributed 16% to our total consumer healthcare revenues. We also launched our own D2C (direct-to-customer) platform, Wellify.in, to bolster our e-commerce presence.

New product introduction has also been an important driver of growth for our consumer healthcare business. In FY2023, we launched 26 new products and 37 new SKUs. New product launches, since April 2020, contributed 18% to our consumer business revenues in FY2023.

Since 2011, we have maintained our best-in-class quality track record of zero OAIs (Official Action Indicated) from the US FDA.

Best-in-class Quality Track Record

At PPL, we view quality as an integral part of our identity. We are committed to consistently deliver products with high-quality standards and have built a strong quality culture across our organisation. We have established a robust Quality Management System (QMS) framework that is implemented across all our facilities, contract manufacturing sites, and suppliers.

During the year, four of our facilities underwent US FDA inspections, with two of them receiving zero observation. For the remaining two facilitates with VAI (Voluntary Action Indicated), we are in receipt of an EIR (Establishment Inspection Report) and the inspections are closed satisfactorily. Since 2011, we have also maintained our track record of zero OAIs (Official Action Indicated) from the US FDA. Also, during the year we successfully cleared several customer audits thereby upholding our best-in-class quality and compliance track record.

Sustainability

Sustainability has always been at the core of our Company's operations. It is enshrined in our vision to become a globally leading integrated pharmaceutical company, powered by sustainability, inclusivity, and ethics. During the year, we took several initiatives to enhance the quality of life of the communities in which we operate through high impact solutions, thought leadership, and collaboration. We also took steps towards reduction of our greenhouse gas emission, limiting our freshwater intake, responsible disposal of our hazardous waste, promoting diversity and inclusion in our workforce, strengthening our board and increasing automation and digitisation, as we look to accelerate the integration of sustainability practices in our operations. We would be sharing in greater detail, the progress on our sustainability initiatives in our upcoming Sustainability Report, which we expect to release shortly.

To summarise, we believe in the growth potential of all our business and are accordingly executing on our strategic priorities. Further, we have decided to raise capital through a Rights Issue for which a draft letter of offer has been filed with the regulator in March 2023 and our promoters have agreed to subscribe to the extent of 100% of the equity shares offered in the Issue. This reaffirms promoters confidence in the underlying strengths of our business. We take pride in our best-in-class quality track record and our focus on patient, customer, and consumer centricity. Integrating sustainability in our day to day operations will always be an important endeavor for our company as we are conscious about our responsibility towards our planet, society and all the stakeholders.

As we move into new financial year, we would like to thank all our colleagues across the globe for their tireless efforts and strong commitment. We would also like to thank all our customers, consumers, suppliers, regulators, and our shareholders for lending support and keeping faith in us. We would also like to extend our sincere appreciation to our Board members for their guidance. We will continue to execute on our strategic priorities to create long-term value for all our stakeholders.

Warm Regards,

Nandini Piramal	Peter DeYoung
(Chairperson)	(CEO, Global Pharma)

Board of Directors

Steadying the Ship

The Board oversees long-term business objectives, organisational strategy, and risk management. It plays a crucial role in safeguarding the interests of stakeholders and is instrumental in managing, directing, and enhancing the performance of the organisation within a well-defined responsibility framework.

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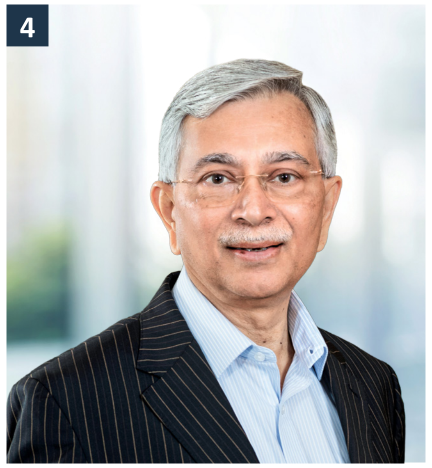

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1 **Nandini Piramal**
Executive Director,
Chairperson
C M M M

2 **Peter DeYoung**
Executive Director,
CEO, Global Pharma

3 **Neeraj Bharadwaj**
Non-Executive Director
M

4 **Jairaj Purandare**
Non-Executive,
Independent Director
C M C M

5 **S. Ramadorai**
Non-Executive,
Independent Director
C M

6 **Peter Stevenson**
Non-Executive,
Independent Director

7 **Sridhar Gorthi**
Non-Executive,
Independent Director
M M

8 **Vibha Paul Rishi**
Non-Executive,
Independent Director
C M M

9 **Nathalie Leitch**
Non-Executive Director

10 **Vivek Valsaraj**
Executive Director,
Chief Financial Officer (CFO)
M M

Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Sustainability and Risk Management Committee

C Chairman | Chairperson

M Member

Board of Directors

1
Ms. Nandini Piramal
Chairperson, Executive Director

C M M M

Ms. Nandini Piramal holds a Bachelor's of Arts (Honours) degree in philosophy, politics and economics from Hertford College, University of Oxford, UK and a Master's Degree in Business Administration from the Leland Stanford Junior University, USA. She heads the human resources function, the information technology function and handles the quality function of the Company. She is also an advisor to Piramal Foundation and Piramal Sarvajal. In 2020, she was recognised as one of 'India's Most Powerful Women' by Business Today, and in 2014, the World Economic Forum recognised her as a 'Young Global Leader'.

2
Mr. Peter DeYoung
Executive Director, CEO, Global Pharma

Mr. Peter DeYoung holds a Bachelor's Degree in Science (Engineering) from Princeton University, USA, where he graduated summa cum laude. He also holds a Master's Degree in Business Administration from the Leland Stanford Junior University, USA. He was designated as 'Arjay Miller Scholar' by Stanford University, USA. He has spearheaded several leadership mandates at the Piramal group, including as the chief executive officer of Piramal Critical Care and President, Piramal Life Sciences. Previously he worked at Mckinsey & Company and at Blackstone Advisors India Private Limited, in its private equity business group. He was also seconded by McKinsey & Company to the World Economic Forum.

3
Mr. Neeraj Bharadwaj
Non-Executive Director

M

Mr. Neeraj Bharadwaj holds a Bachelor's Degree in Science (Economics) from University of Pennsylvania, USA, where he graduated summa cum laude and a Master's Degree in Business Administration from Harvard University, USA. He is currently the Managing Director of Carlyle India Advisors Private Limited which is focused on growth capital and buyout opportunities across sectors in India. He currently serves on the Board of Directors of Hexaware Technologies Limited, Indegene Limited, Nxtra Data Limited, Sequent Scientific Limited, CorroHealth Infotech Private Limited, and others. Previously, he served on the Boards of Delhivery Limited, Global Health Limited, Metropolis Healthcare Limited, and others. Further, he is also appointed on the governing board of Indian School of Business, Board of Directors of Olympic Gold Quest, and as the Chairman of the Private Equity and Venture Capital committee of the Federation of Indian Chambers of Commerce & Industry. He has been recognised as a 'Young Global Leader' by World Economic Forum.

4
Mr. Jairaj Manohar Purandare
Non-Executive, Independent Director

C M C M

Mr. Jairaj Manohar Purandare holds a Bachelor's Degree in Science from University of Bombay, India and is a qualified Chartered Accountant. He has also completed the 'WPO Harvard's President Program' conducted by Harvard Business School, USA. He is the founder chairman of JMP Advisors Private Limited. He was the Head of tax practice at Arthur Andersen, Chairman at Ernst & Young, LLP and Executive Director at Price Waterhouse Coopers Pvt Ltd where he was also the member of India leadership team as PwC markets and industries leader and western India region managing partner. He was a member of the Central Direct Taxes Advisory Committee of the Government of India constituted in 2008. He is a member of the YPO Gold Mumbai Chapter. He has several years of experience in taxation. He has advised clients across various industries such as financial services, infrastructure, power, telecom, media, pharma and auto sectors.

5
Mr. S. Ramadorai
Non-Executive, Independent Director

C M

Mr. S. Ramadorai holds a Bachelor's Degree in Science (Physics- honours) from University of Delhi, India and a Bachelor's Degree in Electrical Communication Engineering from the India Institute of Science, Bangalore, India. He was admitted into University of California, Los Angeles, USA in the Masters of Science Program and has completed the 'Program for Senior Executives' from Sloan School of Management, Massachusetts Institute of Technology, USA. Previously, he was appointed as an advisor to the Prime Minister on the Prime Minister's National Skill Development Council and as the Chairman of National Skill Development Corporation, the Chairman of National Skill Development Agency (which subsumed the National Council on Skill Development), a public interest Director and Chairman on the Board of Bombay Stock Exchange and was nominated as the nominee of Sir Dorabji Tata Trust on the governing council of National Institute of Advances Studies, Bengaluru. He is currently the Chairman of the governing board of Kalakshetra Foundation, the Chairperson and non-executive Director on the Board of Karmayogi Bharat, and the Chairman of Public Health Foundation of India's executive committee. He was awarded the Padma Bhushan (India's third highest civilian honour) in 2006. Further, he was conferred with the 'Honorary Commander of the Order of the British Empire' by Queen Elizabeth II.

6
Mr. Peter Stevenson
Non-Executive, Independent Director

Mr. Peter Stevenson holds a Bachelor's Degree in Arts from Gettysburg College, USA. He currently serves on the Board of Uniting to Combat Neglected Tropical Diseases. In 2019, he retired from Pfizer from the role of Vice President, General Manager, Pfizer CenterOne.

7
Mr. Sridhar Gorthi
Non-Executive, Independent Director

M M

Mr. Sridhar Gorthi holds a Bachelor's Degree in Arts and law (honours) from the National Law School of India University, Bengaluru, India and is registered as an advocate with Bar Council of Maharashtra & Goa. He is a founding partner of the law firm, Trilegal. He is a part of the corporate practice group. He has been involved in several cross-border and domestic transactions. His experience spans an array of sectors, including manufacturing, pharmaceuticals, insurance, banking and financial services, technology, telecom and media. His domain knowledge has earned him the recognition of a 'Leading Individual – Corporate/M&A' by the Asia-Pacific Legal 500, from 2018 to 2020 and a 'Distinguished practitioner' for M&A and Private Equity by the Asia law Profiles. His name also lists as a 'Highly Regarded' lawyer by the IFLR1000 Asia Pacific 2020. He is among India Business Law Journal's 'A-list' of top 100 lawyers in India, and among Chambers and Partners' Asia Pacific's leading lawyers in India for Banking and Finance (2014- 2021).

8
Ms. Vibha Paul Rishi
Non-Executive, Independent Director

C M M

Ms. Vibha Paul Rishi holds a Bachelor's Degree in Economics from Lady Sri Ram College, University of Delhi, India and holds a Master's Degree in Business Administration from Faculty of Management Studies, University of Delhi, India. Previously she worked with Tata Administrative Services and was part of Titan Watches' founding team, PepsiCo, Max India Ltd and the Future Group. She currently serves on the Board of several reputed companies including Tata Chemicals Limited, ICICI Bank Limited, ICICI Prudential Life Insurance Company Limited, and Asian Paints Limited. She is also on the board of Pratham, an NGO that works to provide education to underprivileged children in India.

9
Ms. Nathalie Leitch
Non-Executive Director

Ms. Nathalie Leitch holds a Bachelor's Degree in Science from Trinity College, University of Toronto, Canada and a Master's Degree in Business Administration from Queen's University, Kingston Canada. Previously, she has held senior positions with Actavis, Inc., Teva Pharmaceuticals Industries Limited and Fresenius Kabi USA, LLC and has several years of experience in the pharmaceutical markets.

10
Mr. Vivek Valsaraj
Executive Director, Chief Financial Officer

M M

Mr. Vivek Valsaraj holds a Bachelor's Degree in Commerce from University of Bombay, India and he is an associate member of Institute of Cost Accountants of India. He is currently overseeing the finance and shared services functions of the Company. He has been associated with the Piramal Group for over 22 years and has served various roles across corporate and the domestic formulations business. Over the last several years, he has been closely associated with Piramal Group's pharma business and has been a part of several key acquisitions and capital raising. He has also played a key role in streamlining and finessing systems, processes, and internal controls. He has previously worked with Wockhardt Limited and Bharat Bijlee Limited and has several years of experience in the field of finance.

Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Sustainability and Risk Management Committee

C Chairman | Chairperson

M Member

Awards and Recognition

Celebrating Excellence and Achievement

2019

2019 Global Customer Service Leadership Awards

Piramal Pharma honoured with 2019 Global Customer Service Leadership award by Frost & Sullivan

2020

Manufacturing Supply Chain Operational Excellence - Pharmaceuticals

Piramal Pharma Solution received 'Manufacturing Supply Chain Operational Excellence – Pharmaceuticals' award at 7th and 9th Edition of Manufacturing Supply Chain Awards

2020

Best Contract Manufacturing (CMO) Provider

Piramal Pharma Solutions was recognised as the 'Best Contract Manufacturing (CMO) Provider' at the 7th Annual World ADC Awards

2021

2021 Global Contract Development and Manufacturing Organisation Customer Value Leadership Award

Piramal Pharma Solutions was awarded the '2021 Global Contract Development and Manufacturing Organisation Customer Value Leadership Award' by Frost & Sullivan at the 2021 MEASA Best Practices Awards

2022

CMO Leadership Award

Piramal Pharma was recognised as a winner at the CMO Leadership Awards 2022 in all six categories, namely:

- CMO Leadership Award 2022 Service
- CMO Leadership Awards 2022 Compatibility
- CMO Leadership Awards 2022 Capabilities
- CMO Leadership Awards 2022 Quality
- CMO Leadership Awards 2022 Reliability
- CMO Leadership Awards 2022 Expertise

2019 - Life Science Leader's CMO Leadership Awards

Piramal Pharma Solutions also received the Life Science Leader's CMO Leadership Awards 2019 in 'Service' category (Overall, Big Pharma), during a ceremony held on March 20, 2019 in New York

2021 & 2022

OTC Company of the Year

Piramal Pharma Limited was recognised as the 'OTC Company of the Year' at the India Pharma World Awards for two years in a row.

2022

Best Sales Automation

Piramal Pharma Ltd - Consumer Products Division was awarded Best Sales Automation (in CPG) by Bizom

2022

Great Place to Work

Piramal Pharma Ltd-Consumer Products Division was certified by Great Place to Work® Institute, India

2023

India's Top Women Business Leaders

Ms. Nandini Piramal felicitated with 'India's Top Women Business Leader' and 'India's Most Powerful Women' by Business Today

2023

BioSpectrum Award

Piramal Pharma Solutions retains No. 1 position in Indian Bioservices Industry

Management Discussion and Analysis

Macroeconomic Assessment

Global GDP Growth Outlook

As per IMF report (World Economic Outlook Update April 2023), the global economy appears poised for a gradual recovery from the adverse impact of the COVID-19 pandemic and of the Russia-Ukraine war. China is expected to rebound following the reopening of its economy. Supply-chain disruptions are unwinding, while the disturbances to energy and food markets caused by the war are receding. Simultaneously, the significant and synchronous tightening of monetary policy by most central banks is expected to bring down the inflation rates. As per the IMF estimates, the global GDP growth will bottom out at 2.8% in CY2023, before rising modestly to 3.0% in 2024. The slowdown in 2023 is concentrated in advanced economies, especially the Euro area and the United Kingdom, where growth is expected to fall to 0.8% and -0.3%, respectively, this calendar year before rebounding to 1.4% and 1% in 2024. In the emerging market and developing economies, growth is estimated to bottomed out in 2023 and recovery expected from 2024. Some vulnerability exists to these projections as financial market confidence was shaken by the fall in the gilt market in the United Kingdom and the banking turbulence in the United States with the collapse of a few regional banks. However, in both cases the authorities took quick and strong actions and have been able to contain the spread of the crisis so far.

Overview of the World Economic Outlook Projections (Percent change)

		Projections	
	2022	2023	2024
World Output	3.4	**2.8**	3.0
Advanced Economies	2.7	**1.3**	1.4
United States	2.1	**1.6**	1.1
Euro Area	3.5	**0.8**	1.4
Germany	1.8	**-0.1**	1.1
France	2.6	**0.7**	1.3
Italy	3.7	**0.7**	0.8
Spain	5.5	**1.5**	2.0
Japan	1.1	**1.3**	1.0
United Kingdom	4.0	**-0.3**	1.0
Canada	3.4	**1.5**	1.5
Other Advanced Economies *	2.6	**1.8**	2.2
Emerging Market and Developing Economies	4.0	**3.9**	4.2
China	3.0	**5.2**	4.5
India **	6.8	**5.9**	6.3
Russia	-2.1	**0.7**	1.3
Brazil	2.9	**0.9**	1.5
Mexico	3.1	**1.8**	1.6
Saudi Arabia	8.7	**3.1**	3.1
Nigeria	3.3	**3.2**	3.0
South Africa	2.0	**0.1**	1.8

*Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

** For India, data and projections are presented on a fiscal year basis, with FY2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.9 percent in 2023 and 6.3 percent in 2024 based on calendar year.

Source: IMF report (World Economic Outlook Update April 2023)

Global Inflation Outlook

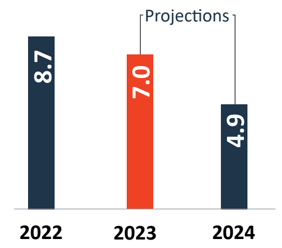
As per IMF report (World Economic Outlook Update April 2023), about 76% of economies are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024–still above pre-pandemic (2017-19) levels of about 3.5%. In advanced economies, annual average inflation is projected to decline from 7.3% in 2022 to 4.7% in 2023 and 2.6% in 2024. In emerging market and developing economies, projected annual inflation declines from 9.8% in 2022 to 8.6% in 2023 and 6.5% in 2024, above the 4.9% pre-pandemic (2017-19) average.

The projected reduced rate of inflation reflects declining fuel and non-fuel commodity prices as well as the expected cooling effects of monetary tightening on economic activity. At the same time, inflation excluding that for food and energy is expected to decline globally much more gradually in 2023: by only 0.2%, to 6.2%, reflecting the stickiness of underlying inflation. Disinflation will take time: by 2024, projected annual average headline and core inflation will, respectively, still be above pre-pandemic levels in 82 percent and 86 percent of economies.

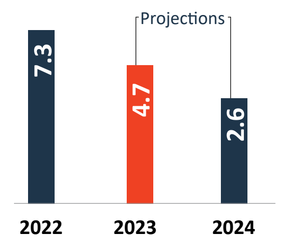
Global Consumer Price Index Inflation

(%)

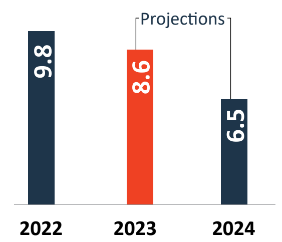
World Consumer Prices *



Advanced Economies **



Emerging Market and Developing Economies *



*Excludes Venezuela.

** The inflation rates for 2023 and 2024, respectively, are as follows: 5.3% and 2.9% for the Euro area, 2.7% and 2.2% for Japan, and 4.5% and 2.3% for the United States.

Source: IMF report (World Economic Outlook Update April 2023)

Management Discussion and Analysis

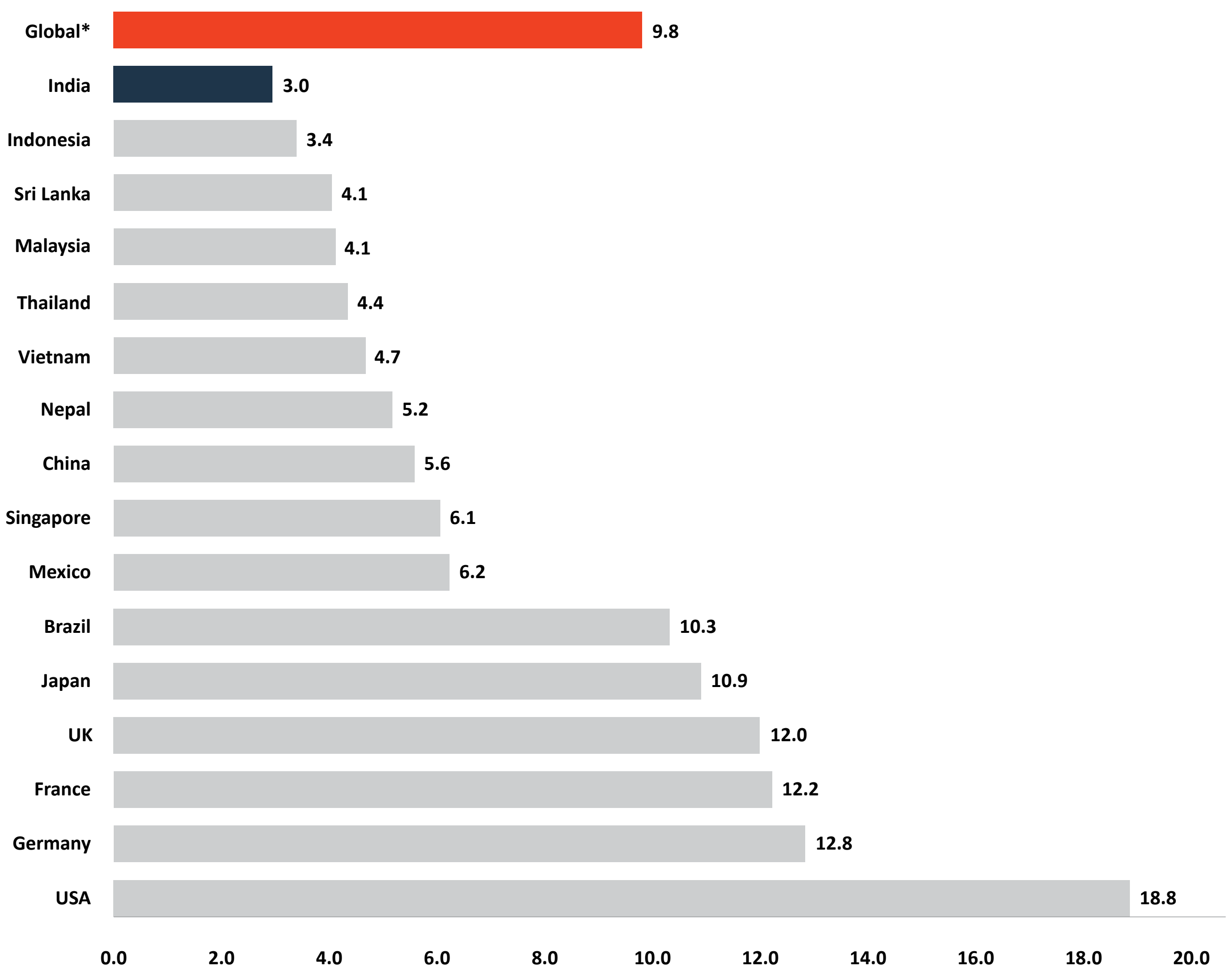
Industry Overview

Global Healthcare Spending as a percentage of GDP growing since 2011

Global healthcare spending has been rising in sync with economic growth. As the economy grows, public and private spending on health grows, too. Also, increase in sedentary lifestyle has heightened the risk of chronic diseases, which is also increasing healthcare spending. This is evident specifically in fast growing economies. The US, the UK, France and Germany are the top four nations with the highest expenditure on healthcare as a percentage of GDP.

As per Global Healthcare Expenditure Database compiled by the World Health Organisation (WHO), global expenditure on healthcare increased over 2011-2019. Globally, healthcare expenditure as a percentage of GDP increased from 9.4% in 2011 to 9.8% in 2020, due to availability of better medical facilities, advancements in medicine and increase in disposable income.

Healthcare expenditure as % of GDP (2020)



Source: Global Health Expenditure Database-WHO, CRISIL MI&A Research

Note: *Global data is as of 2019

Pharmaceutical Spending (Key Countries)

Country	CHE as % of GDP (2020)	Pharmaceutical as % of health spending (2020)
US	18.8%	11.0%
Canada	11.0%	14.4%
UK	12.0%	11.8%
Germany	12.8%	13.7%
Spain	10.7%	15.1%
Italy	9.6%	17.9%
France	12.2%	13.3%
Brazil	10.3%	18.2%^
Australia	10.6%	12.3%^
Mexico	6.2%	21.5%
Korea	8.4%	19.9%
India*	3.0%	33.8%

Note:

1) CHE: current healthcare expenditure.
2) *Pharmaceutical spending as % of CHE is as per the NHA estimates 2021.
3) Pharmaceutical spending as % of health spending as per OECD data.
4) ^ Data as of 2019.

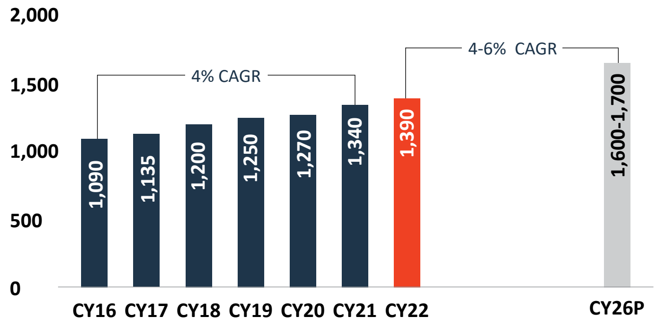
Source: Global Health Expenditure Database-WHO, World Bank database, OECD, CRISIL MI&A Research

Global pharmaceutical market to grow at steady 4-6% CAGR from 2022 to 2026

As per Crisil report, global pharmaceutical market has grown at a CAGR of 4% from approximately US$ 1,090 Billion in calendar year 2016 to approximately US$ 1,390 Billion in calendar year 2022. Going forward, over the next five years it is expected to grow at 4-6% CAGR to reach approximately US$ 1,600 Billion to US$ 1,700 Billion in calendar year 2026. This growth would be driven by increase in R&D spends to develop new drugs, the ageing population, a rise in chronic diseases due to sedentary lifestyles, increasing penetration of medical insurance, higher life expectancy and improvement in medical infrastructure and accessibility to affordable healthcare in developing economies.

Pharmaceutical care is constantly evolving, with many novel drugs entering the market. As per Crisil Report, the pharmaceutical industry invested an estimated ~US$ 240 Billion in research and development (R&D) in CY21 which was ~15% higher compared to CY20. Increasing R&D expenditure by global players is expected to lead to development of innovative and specialty medicines that offer alternative treatments, and in some cases, the prospect of treating conditions previously considered incurable. Globally, the number of clinical trials has been increasing with the increasing prevalence of chronic diseases and rising number of biologics. The need for orphan drugs and the demand for advanced technologies are further projected to drive the pharmaceutical market growth.

Global pharmaceutical market by value
(US$ Bn)



P: Projected

Source: Mordor Intelligence, Pharma Company reports, CRISIL MI&A

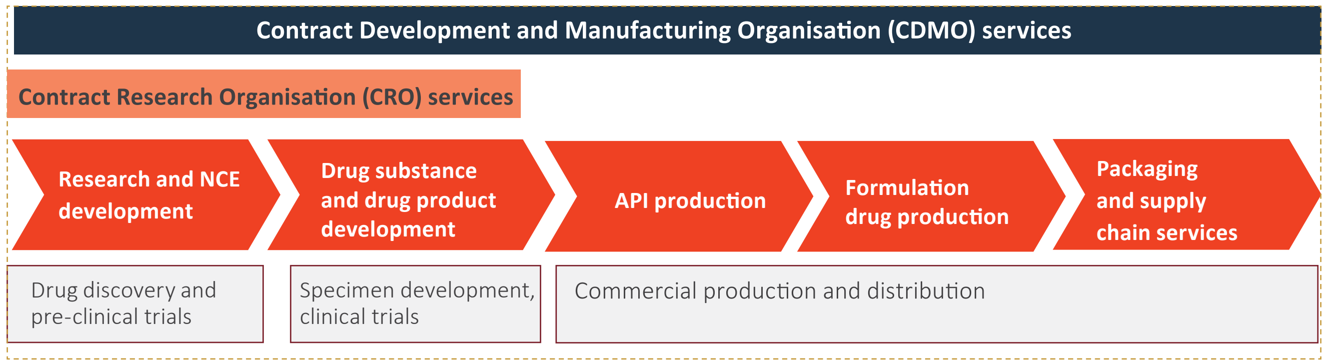
Management Discussion and Analysis

Business Overview

Contract Development and Manufacturing Organisation

Contract Development and Manufacturing Organisation (CDMO) has emerged as a viable model for the global pharmaceutical industry. With increasing globalization and focus of large players on cutting costs and optimizing operations, CDMOs have seen significant acceptance in the industry worldwide over the past few years. With the growing demand for generic medicines and biologics, focus on reducing time to market (TTM), the capital-intensive nature of the business, and the complex manufacturing requirements, many pharmaceutical companies have identified the potential benefits of contract manufacturing and outsourcing manufacturing activities. Pharmaceutical companies are also gradually outsourcing research and development (R&D) activities to academic and private Contract Research Organisations (CROs) to reduce drug-development timelines and costs.

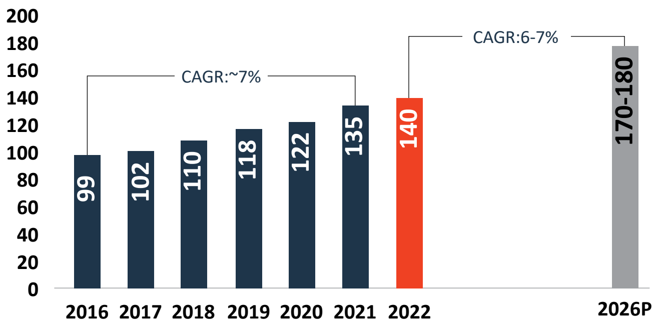
Overview of CDMO services



Source: CRISIL MI&A

Cost-cutting, chasing innovation, gaining access to specialised knowledge and technology, lower capex spends, increasing speed and agility are some of the significant factors encouraging the pharmaceutical companies to outsource their development and manufacturing activities. As per CRISIL Report, in value terms, the global CDMO market grew at a CAGR of 7% from approximately US$ 99 Billion in 2016 to approximately US$ 135 Billion in 2021. Compared to a 4-5% CAGR growth of the global pharmaceutical industry across the same period, the CDMO industry grew at a faster pace, indicating increase in willingness for outsourcing. Going forward, the global CDMO industry is expected to grow at a CAGR of 6-7% from 2022 to 2026 to reach US$ 170-180 Billion by 2026.

Review and outlook on global CDMO market
(US$ Bn)



P-Projected

Source: CRISIL MI&A

Key Trends in the CDMO Industry

The COVID-19 pandemic impact

The pandemic brought in operational challenges for the pharmaceuticals industry and its ability to continue to supply essential medicines across the globe. At the same time, it also offered market opportunities for the pharmaceuticals industry in terms of providing COVID-19 treatment and vaccines. A number of CDMOs signed COVID-19 vaccine manufacturing agreements with vaccine development companies to scale up the manufacturing process and fast-track global vaccine delivery.

CDMOs are shifting their business model in response to a changing environment

CDMOs in the past operated on business model which focused on external services such as manufacturing established pharmaceuticals. CDMOs added manufacturing capacity by investment or by the acquisition of facilities from pharmaceutical companies. However, CDMOs now are increasingly focusing on innovation and are covering more areas of the pharmaceutical business than just manufacturing. Using acquisitions to expand business capabilities, CDMOs are able to deliver technically advanced services at scale. CDMOs are expanding at the edges of the value chain, becoming active in clinical trial services as well as increasing their focus on the pre-clinical research stage by selected acquisitions. They are also investing in developing specialised manufacturing capacities for example novel modalities of cell therapies, gene therapies or mRNA therapies and innovative vaccines for viral vectors, cell manipulation, as well as nucleic acids and lipid-based formulations. Thus, CDMO market is growing not just by manufacturing outsourcing revenue but also by catering to specialised manufacturing capabilities and focusing on research and development area of pharmaceutical value chain.

Increasing demand for diversified sourcing for supply stability

Regulatory authorities across the world have strongly recommended pharmaceutical companies to secure a source for stable drug production. For example, the US FDA requested pharmaceutical companies to establish a contingency plan, believing that supply stability cannot be guaranteed in case the drug is manufactured at a single site. Accordingly, pharmaceutical companies are making use of CDMOs to run multiple manufacturers for a single drug.

Consolidation in CDMO industry

Many pharmaceutical companies are seeking advanced supply chain opportunities in order to optimise the development of their molecule. This has led to a lot of firms establishing a partnership with a CDMO as opposed to investing internally on infrastructure. Industry consolidation has been partly driven by the desire to diversify capabilities, so that CDMOs can effectively provide customers with comprehensive end-to-end drug development and manufacturing services, whilst also reducing operational costs. This is because drug developers are keen to progress their drug product to market as quickly as possible, with minimal supply chain complexity. Additionally, changing service provider mid-development incurs heavy expenditure and so full-service providers are often seen as way to decrease overall costs for drug developers.

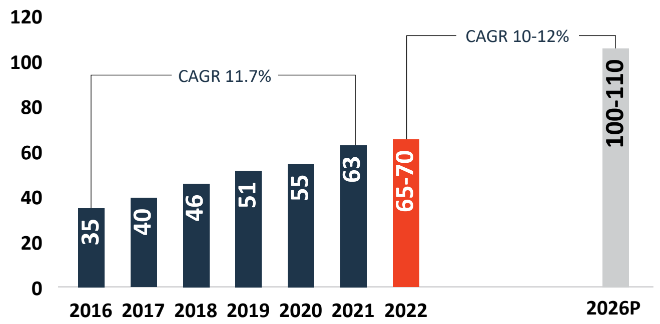
Global Complex Generics Market

As per the definition by US FDA, complex generics are products that have complex active ingredients, formulations, dosage forms, or routes of administration, or are complex drug-device combination products. Generics of complex brand name drugs (i.e., reference listed drugs) are usually more difficult to develop and requires deep understanding and development process which has often acted as a key entry barrier for players entering the complex generic space.

As per Crisil Report, the global complex generics market was valued at US$ 65-70 Billion in 2022, growing at 11.7% CAGR from 2016 to 2022. Further, it expects this market to grow at a CAGR of 10-12% during 2022-26 to reach US$ 100-110 Billion by 2026. Rising R&D trends, increase in novel drug delivery systems, the growing demand of shifting toward the development of complex molecules used in novel formulations and targeting niche therapeutic areas are likely to boost the global complex generics market.

In the global complex generics market, the complex hospital generics constitutes majority of the market with share of approximately 70-80%, with retail forming the rest. Anaesthesia, Pain management, Blood-related, Anti-infective are some of the key therapy areas in the complex hospital generics market.

Review and outlook of global complex generics market
(US$ Bn)



Note: P-Projected

Source: CRISIL MI&A

Inhalation Anaesthetics like sevoflurane, isoflurane, desflurane, and halothane, are the most-used agents in practice today. They are used for induction and maintenance of general anaesthesia. As per IQVIA data (MIDAS MAT® December 2022), the cumulative global market size of sevoflurane, isoflurane, desflurane, and halothane was about US$ 1.05 Billion, with sevoflurane constituting about 84% of this market. US and China are the two largest markets for these four products, with about 48% of the global market share. Due to high-entry barriers such as high initial investments for supplying medical devices such as vaporisers, as well as dedicated production facilities for raw materials and finish dosage products, competition is limited in inhalation anaesthesia market as compared to traditional generics. Abbvie, Baxter, Hengrui, Piramal Pharma and Lunan are amongst the few companies who have launched the generic versions of the inhalation anaesthesia drugs.

Management Discussion and Analysis

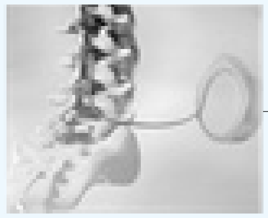
High-entry barriers in inhalation anaesthesia due to need for specific vaporizers for administration and large capex investments

..using vaporizers attached to anaesthesia machines

..that are used for patients

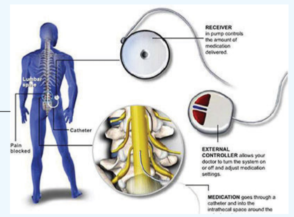
Intrathecal therapy as an area has gained prominence in the recent years. In intrathecal therapy, the drug is injected into the fluid-filled space between the thin layers of tissue that cover the brain and spinal cord. Some of the key molecules in the segment includes Baclofen injection and Morphine Sulfate injection. As per IQVIA data (MIDAS MAT® December 2022), the US market of Baclofen's pre-filled syringe and vial was about US$ 31 million. The development of generics in this critical therapy area has been important in terms of providing treatment option to patients suffering from spasticity (involuntary muscle contractions that cause stiffness) and dystonia (muscle contractions that can result in twisted or abnormal postures).

High-entry barriers in intrathecal therapy due to the complexity in administering the drug



Programmable pump is surgically implanted

Intrathecal Baclofen is injected into the pump



Medication delivered through a catheter into the intrathecal space

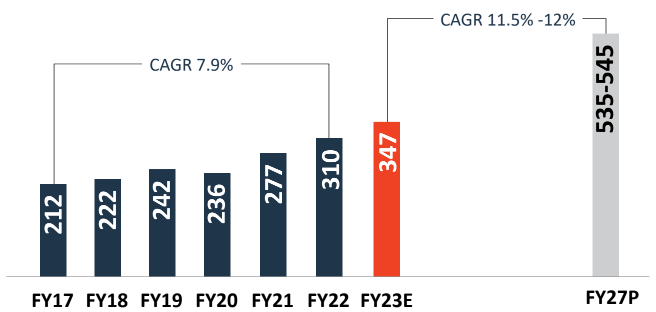
Indian OTC Industry

As per the definition of US FDA, Over-the-Counter (OTC) medicines are the drugs which are legally allowed to be sold by pharmacists without any need for a prescription. These drugs can be purchased by consumers from any pharmacies, retail store, supermarkets and online pharmacies without a prescription of register medical practitioner and retailers also don't need drug licence to sell these medicine. OTC market also includes products in the consumer care segments such as skincare, hygiene, self-care and preventive care.

The usage of OTC products has grown steadily in the last few years in India. As per Crisil Report, India's OTC drug market stands at ₹310 Billion in FY2022, having grown at a rate of 7.9% CAGR between FY2017-2022. It is expected to further grow at 11.5-12% CAGR between FY2022-27 and reach ₹535-545 Billion by FY2027, driven by easy availability, increased affordability, and awareness. These drugs allow faster and cheaper access to healthcare; however, their misuse and adverse health effects are a matter of concern.

Some of the common ailments which witness high usage of OTC products are acidity, indigestion, constipation, diarrhoea/dehydration, cold and cough, analgesics, rashes/ring worm, acne, feminine/intimate hygiene, cuts/burns/wounds, skincare, vitamins/minerals/supplement, eye strain, sleeplessness, smoking control, etc.

Indian OTC drugs market size
(INR Bn)



Source: CRISIL MI&A

Management Discussion and Analysis

Key OTC products categories

Therapeutic areas	Key product types offered
Skincare/Derma	• Skin lotion/sunscreen/wipes • Skin infection • Skin allergy • Antiseptic cream / diabetic foot ulcers
Women's health	• Menstrual care • Emergency contraceptive pills • Pregnancy test kits • Hygiene
Analgesics	• Cream • Balm • Spray • Pills
Digestives / Gastro	• Pills • Syrups
Respiratory	• Pills • Syrups
Vitamins/Minerals/ Supplements	• Specialty supplements • Weight management, Protein supplements • Calcium and minerals • Multi – vitamins • Biotin • Immunity Boosters
Disinfectants, Smoking cessation products, Others	• Sanitizers, surface cleaners • Smoking cessation products • Artificial sweetener • Self-diagnostics kits • Wound- healing

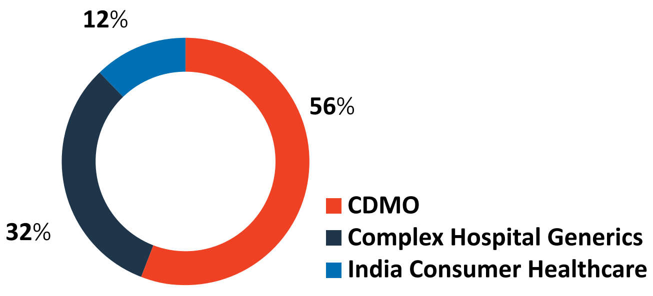
Note: The list above is an indicative list and not an exhaustive list

Source: CRISIL MI&A

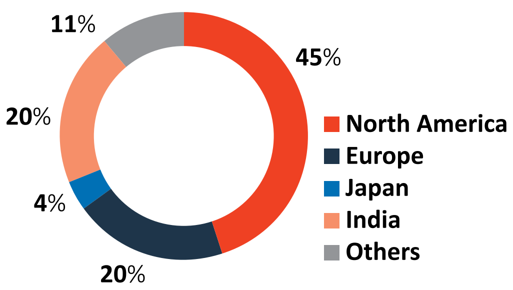
Company Overview

Piramal Pharma Limited is a pharmaceutical company with global operations, providing end-to-end pharma services to its customers and a portfolio of differentiated pharma products across a domestic and global distribution network. The Company has a worldwide presence with (i) 17 development and manufacturing facilities across India, United Kingdom and North America; (ii) commercial presence in over 100 countries; (iii) 6,295 full-time employees across the world with 4,644 in India and 1,651 outside India; and (iv) 21 subsidiaries with 20 of such subsidiaries incorporated outside India in, among others, South Africa, Japan, Italy, UK, Canada, Australia and US. PPL operates under three business verticals – (i) Piramal Pharma Solutions (PPS), an integrated Contract Development and Manufacturing Organisation (CDMO); (ii) Piramal Critical Care (PCC), a Complex Hospital Generics (CHG) business; and (iii) India Consumer Healthcare (ICH) business, selling Over-The-Counter (OTC) products. In addition, PPL has a joint venture (Allergan India Private Limited) with Allergan (now AbbVie), one of the market leaders in ophthalmology in the Indian formulations market. PPL holds 49% of the paid-up equity share capital in the joint venture. Further, PPL has a minority investment of 33.33% in Yapan Bio that operates in the biologics/ bio-therapeutics and vaccine segments.

Revenue breakup by Business Verticals



Revenue breakup by Geography



Contract Development and Manufacturing Organisation

Piramal Pharma Solutions, an integrated Contract Development and Manufacturing Organisation, provides integrated drug discovery, development, and manufacturing services for both drug substances i.e. active pharmaceutical ingredients (APIs) and drug products, i.e. formulations across the life cycle of a molecule. PPS has an integrated network of facilities across India, UK and North America that provides development and manufacturing capabilities in areas such as high potency APIs, antibody drug conjugates (ADC), peptides, sterile injectable and hormonal products. Company's associate, Yapan Bio also has capabilities in the biologics/bio-therapeutics and vaccine segments.

Management Discussion and Analysis

Attracting Customers with Differentiated Offerings and Integrated Services

Integrated services: Discovery - Clinical Development - Commercialisation

Pre-clinical | Phase 1 | Phase 2 | Phase 3 | Launch | On-patent Commercial | Off-patent Commercial

CRO
Discovery
Ahmedabad

Development (CDMO & Generic API)

Early Phase API
Aurora, Riverview, Grangemouth, Turbhe, Ennore

Early Phase Formulations
Morpeth, Lexington, Sellersville, Ahmedabad

Late Phase & Commercial (CDMO & Generic API)

Late Phase API
Morpeth, Aurora, Riverview, Grangemouth, Digwal, Ennore, Turbhe

Late Phase Formulations
Morpeth, Lexington, Sellersville, Pithampur

Differentiated Offerings

Antibody Drug Conjugates	HP (High Potent) APIs	Potent Sterile Injectable	On-patent API Development & Manufacturing	Peptide APIs Synthesis	Hormone Drugs	Vaccines & Biologics/ Bio-therapeutics
Grangemouth	Riverview Aurora	Lexington	Digwal	Turbhe	Morpeth	Yapan Bio

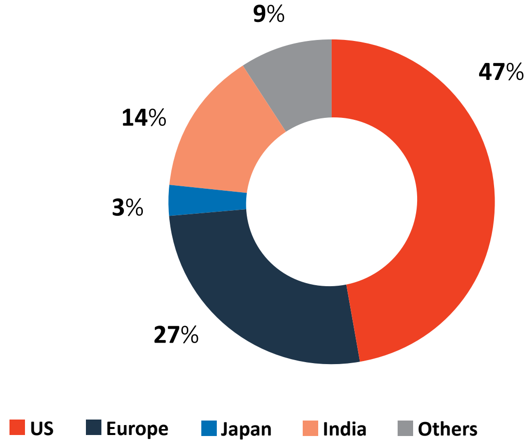
Under the discovery services, PPS offers a range of contract research services including medicinal chemistry, in-vitro ADME services, non-GMP kilo lab and analytical support services to support drug discovery activities of its customers. It also offers clinical development services from pre-clinical stage to phase III for various dosage forms. Its drug development offerings include services in the areas of route scouting, process R&D, pre-formulation studies, pharmaceutical development services, analytical support services, regulatory services and clinical trial services. Further, PPS also provides commercial manufacturing of on-patented as well as off-patented products.

Apart from the CDMO services, PPS also has a generic API division that offers over 30 off-patented APIs for global markets. Additionally, it also manufactures and supplies vitamins and minerals ingredients and premixes for human and animal nutrition. These products are sold to pharmaceutical, nutraceutical, food and beverage, personal care, animal feed industries and government organisations.

PPS has a diverse customer base of over 500 customers comprising global innovator pharma companies, emerging biopharma companies and generic pharma companies. It has a low revenue concentration with its top five customers contributing about 25% of its total revenue from operations from the CDMO business. During Financial Year 2023, 77% of PPS revenue from operations were achieved from regulated markets such as US, Europe and Japan. Discovery, development and commercial manufacturing contributed towards 5%, 30% and 65%, respectively of the revenue from operations from the CDMO business during Financial Year 2023.

Over the years, the Company has had a successful track record of acquiring multiple capabilities and expanding development and manufacturing capacities through customer-led brownfield expansions. The Company leverages its 'end-to-end model' to offer integrated services (services that involve more than one site) to its customers with a compelling value propositions such as reduced time-to-market, reduced operational complexity and lower supply chain costs. The Company has executed over 100 integrated projects since its incorporation.

CDMO Geographic Revenue breakup

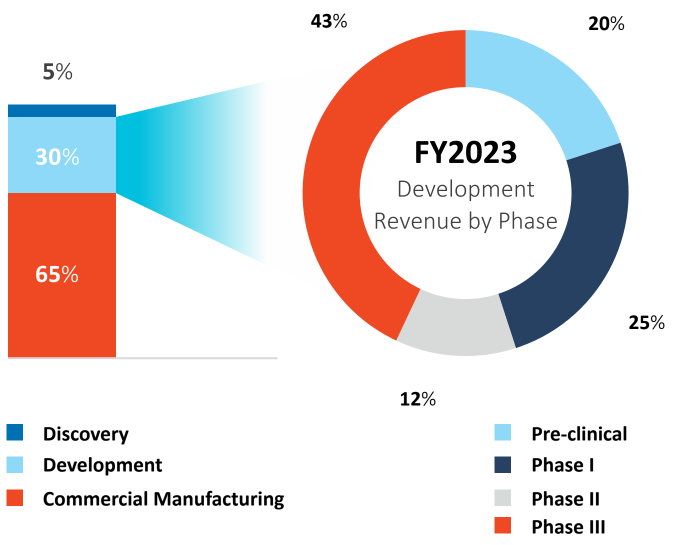


77%

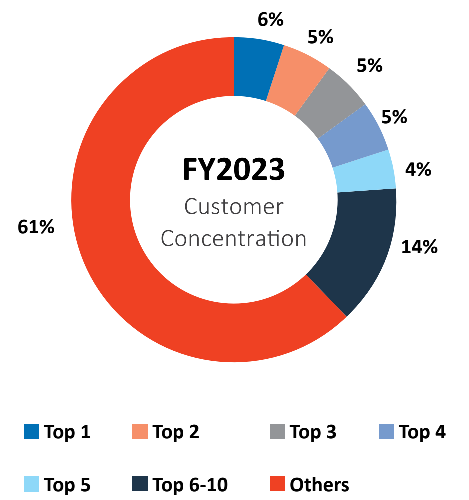
Of revenues from regulated markets of US, Europe and Japan

Management Discussion and Analysis

FY2023 Revenue by Services

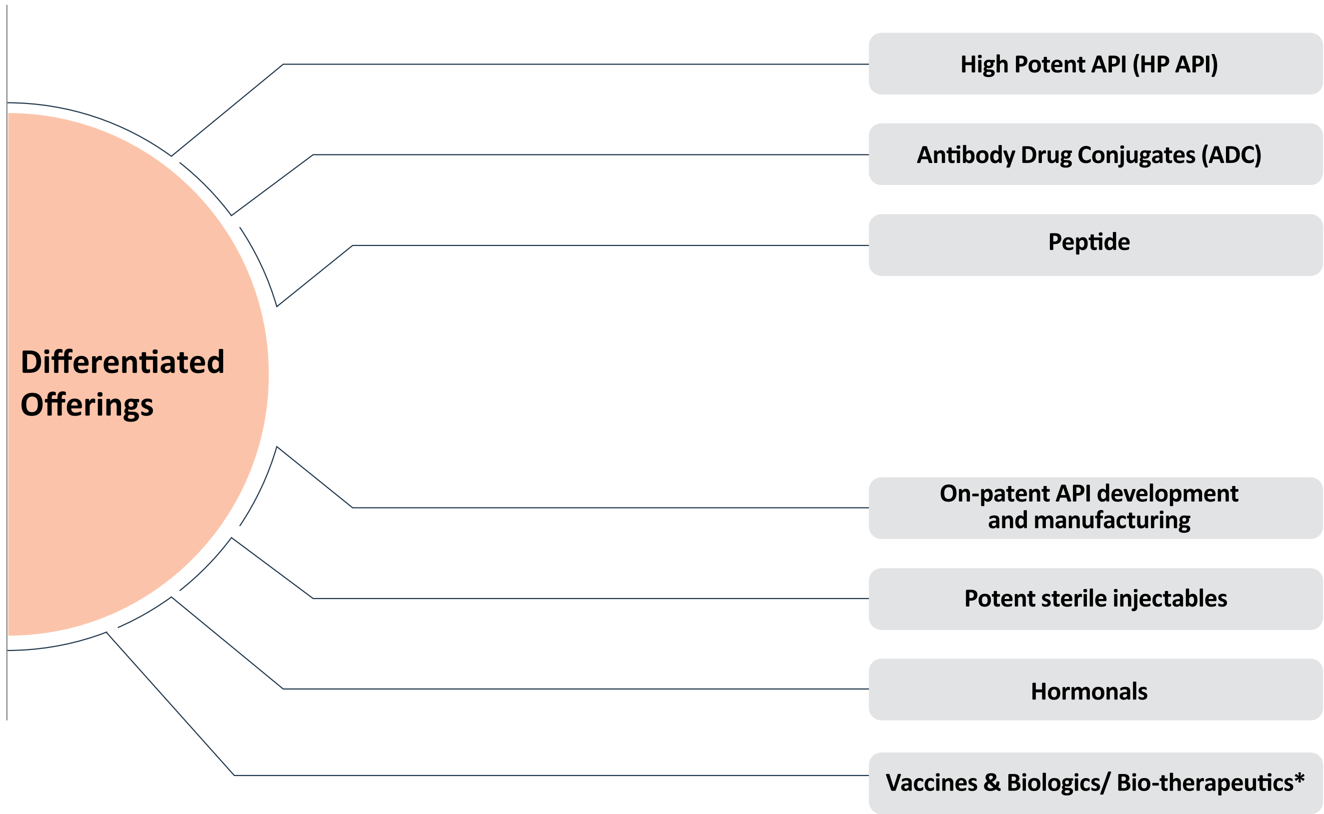


CDMO Customer Concentration



Attracting Customers with Differentiated Offerings and Integrated Services

Differentiated Offerings



*Through minority investments in Yapan Bio.

Integrated Projects

100+

Integrated projects executed since incorporation

US$ 67mn

Value of order book of integrated projects in FY2023

32

Number of integrated projects in FY2023

26%

Of the order book in FY2023 is from integrated projects

Integrated project is defined as project **involving more than one site**

PPL is committed to meeting the requirements and expectations of it patients, customers, regulators and partners. Its facilities are inspected by various regulatory authorities across the worlds such as US FDA, Medicines & Healthcare Products Regulatory Agency, UK, Therapeutic Goods Administration, Australia and Pharmaceuticals and Medical Devices Agency, Japan. Additionally, the facilities also undergo customer audits throughout the year. In order to maintain a sustainable and consistent quality system at all the development and manufacturing facilities, the Company has several internal policies and statement of purpose outlining criteria to ensure site quality health, quality of raw materials and key starting materials. Further, it trains its employees to ensure safe handling of equipments and chemicals. The policies are periodically updated from time to time.

FY2023 Performance

The CDMO business grew 7% YoY, impacted by slowdown in biotech funding, delayed decision making by the customers and muted demand in existing generic API and vitamins portfolio. Further, the profitability of the CDMO business was significantly impacted by inflationary pressures caused by higher utility cost, raw materials prices and wage inflation, along with sub-optimal utilization levels at some of its facilities leading to under absorption of fixed costs. To offset these challenges, the Company has undertaken initiatives for cost optimisation, strategising procurement and operational excellence. While the Company witnessed slower order bookings in the first nine months of the financial year, it picked up significantly in the last quarter, which should help drive revenue growth.

During the financial year, the Company also went live with capacity expansion at Riverview facility in US and peptide facility at Turbhe, India. The Company also opened a new In-Vitro laboratory at PDS Ahmedabad facility. Further, the capacity expansion at Grangemouth facility in the UK is also expected to go live in H2FY24, which should help in strengthening its position in the anti-body drug conjugate segment. These capacity expansions would be an important driver of revenue growth in the near term.

In terms of quality and compliance, FY2023 was a successful year for the Company, as it cleared 36 regulatory inspections and multiple customer audits. During the year, four of the Company's facilities underwent US FDA inspections, with two of them receiving zero observation. For the remaining two facilitates with VAI, the Company is in receipt of an EIR and the inspections are closed satisfactorily.

2x

Growth in number of commercial products under patent (9 in FY2019; 18 in FY2023)

Management Discussion and Analysis

Complex Hospital Generic

Piramal Critical Care's (PCC) complex hospital generics portfolio comprises over 35 hospital-focused products in the areas of inhalation anaesthesia, injectable anaesthesia and pain management, intrathecal therapy and other injectable. CHG products are sold in over 100 countries, to more than 6,000 hospitals with direct sales presence in US, UK, Germany, France and Italy, and through distribution partners in other geographies. These products are used in hospitals, surgical centres, and veterinary clinics. Further, CHG also has product pipeline of 25+ SKUs in various stages of development which will be an important driver of future growth.

Capabilities in complex hospital generic products are complex and capital intensive. Due to high entry barriers such as high initial investments for supplying and sustaining medical devices such as vaporizers, as well as dedicated production facilities, competition remains limited as compared to traditional generics. Further, strict quality assurance system, extensive regulatory experience in establishing marketing and distribution relationships such as with GPOs (Group Purchasing Organisation) create hurdles for less experienced competitors and new entrants.

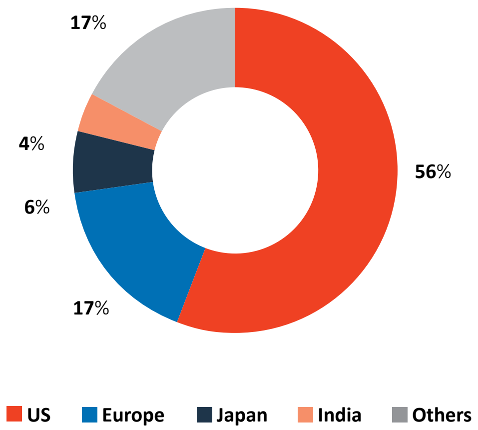
The Company has leading positions* in some of its products/segments, such as:

- The fourth largest inhalation anaesthesia company globally as per US$ value for a combined market of sevoflurane, desflurane, isoflurane and halothane
- The leading player in sevoflurane in the US market with value market share of 38.92%
- Number one rank in the US Baclofen pre-filled syringe and vial market with the Company's brand Gablofen having 78.28% value market share
- The Company's brand Fentanyl (ampoules) is the number one ranking brand by US$ value in the Japan, South Africa and Indonesia markets

* Source: IQVIA MIDAS MAT® December 2022

The Company is vertically integrated in inhalation anaesthesia with Dahej (India) facility manufacturing the key starting material, and Digwal (India) facility and Bethlehem (US) facility manufacturing APIs and drug products. Given the demand for inhalation anaesthesia products, the Company is expanding its manufacturing capacities which will drive growth in the future.

CHG geographic revenue breakup



CHG segment-wise revenue breakup

Inhalation Anaesthesia (64%[1])

Intrathecal Therapy (15%[1])

Injectable Anaesthesia and pain management (11%[1])

Others (10%[1])

Note: (1) % of FY2023 CHG revenues

Vertical Integration in Inhalation Anaesthesia

Inhalation anaesthesia facility (Bethlehem, USA)

In-house manufacturing of sevoflurane and desflurane

Inhalation anaesthesia facility (Digwal, India)

In-house manufacturing of isoflurane

Specialty fluorochemicals facility (Dahej, India)

Vertically integrated in-house manufacturing to make key starting materials

Product Pipeline

4 Approved, yet to be launched	+	**14** Filed, yet to be approved	+	**7+** Development, yet to be filed	=	**25+** Total SKUs in pipeline

FY2023 Performance

The CHG business grew 14% YoY. Growth was mainly driven by inhalation anaesthesia sales in the US and ROW markets with volume growth driving market share gains. To keep up with the growing demand for inhalation anaesthesia products, the Company is expanding its capacities at India and the US. In the intrathecal portfolio, the Company continued to command leading market share in the US. However, growth in the injectable anaesthesia and pain management portfolio was impacted by scale up challenges at new CMOs. The Company has addressed the same, and the production ramped up towards the end of the financial year and should lead to better supplies in FY2024.

During FY2023, the Company launched three new products with 10 SKUs in the US and European markets. Further, the Company has a new product pipeline of 25+ SKUs in various stages of development.

Management Discussion and Analysis

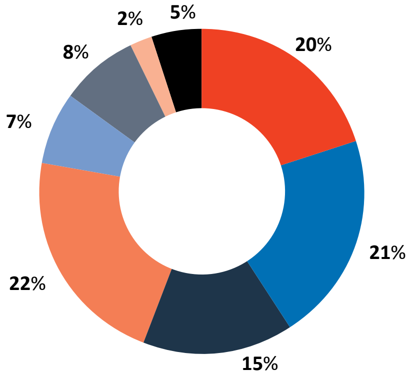
India Consumer Healthcare

Company's ICH business has a diverse portfolio of over 30 OTC products across categories of analgesics, skin care, VMS, kids' wellness, digestives, women's health, and hygiene and protection categories, with well-known brands such as Little's, Lacto Calamine, I-Pill, Polycrol, and Tetmosol. The Company also has a manufacturing and distribution agreement with Bayer Pharmaceuticals Private Limited (Bayer®) for their brands such as Saridon, Supradyn, Becozym and Benadon, among others.

The Company sells its products through a wide distribution network where it partners with various distributers who in turn supply to several chemists, grocers, modern trade, and kids stores across the country and are listed on many e-commerce portals. PPL has also launched its own direct-to-customer (D2C) platform, Wellify.in. The Company has 100% tech-enabled sales coverage and leverages analytics to enhance the productivity of its field force.

The business operates on an asset-light model with product portfolio such as baby diapers, baby wipes, medicated soap, lacto lotions, antacid liquids and other products being manufactured at the third parties. The Company has also entered into agreements with media houses to manage its social media platforms and promote its brands- through celebrity endorsements and trade promotions. The media spends are mainly for the power brands which comprise of brands such as Lacto Calamine, Little's, Polycrol, Tetmosol and I-range which contributed about 42% of total ICH revenue from operations during FY2023.

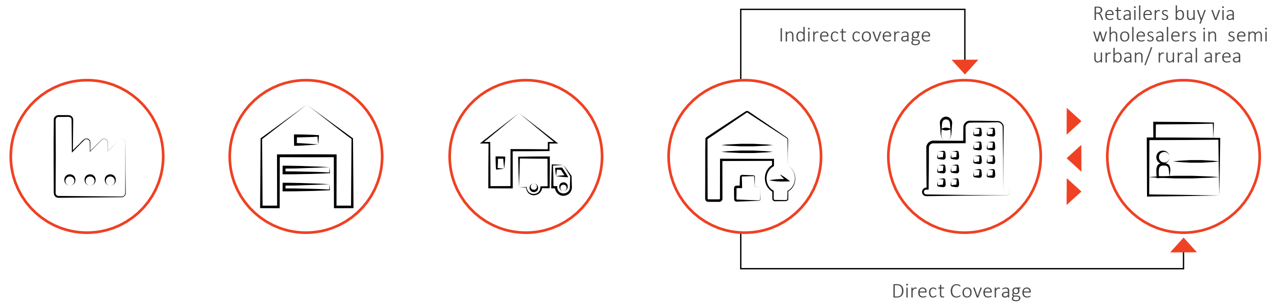
Therapy wise revenues contribution



Distribution network

Supply chain from manufacturing to outlets

I	II	III	IV	V	VI
3rd party manufacturing	Distribution Hub	Carrying & Forward Agent	Distributors	Wholesalers	Outlets



FY2023 Performance

The ICH business grew 6% YoY (like-to-like growth was 16%) primarily driven by robust growth in the power brands and new product launches. During the financial year:

- Power brands grew by 37% YoY driven by continuous efforts towards brand building and trade promotions.
- Launched 26 new products and 37 new SKUs. New products launched since April 2020 now contributes to 18% of the consumer business sales.
- E-commerce sales grew at over 40% YoY rate and contributed 6% to ICH revenues
- Little's grew over 50% YoY
- Lacto Calamine grew at more than 40% YoY powered by new launches and excellent traction on e-commerce
- The Company launched its own D2C platform, Wellify.in, to strengthen its e-commerce presence

New Products Launched in the Year

®Registered trademark of Bayer (Group)

Diversified Portfolio of Attractive Brands, Including Power Brands




Analgesics	Skin Care	VMS	Women's Health	Digestives	Kids Wellness	Health & Hygiene
Saridon® headache relief tablet	Lacto Calamine Oil Control Lotion, Facewash, Sunscreen	Supradyn® Multivitamin	i-pill, i-know Contraceptive Pill, Ovulation Kit	Polycrol Antacid	Little's Wipes, Toys, Diapers, Feeding range	NIXIT Smoking Cessation
Sloan's Balm, Liniment & Spray	Tetmosol Medicated Soap, Cream & Powder	Ourdaily range of health supplemens	i-Can Pregnancy Detection Kit	Digeplex digestive enzyme	Jungle Magic range of toys and colouring books	Tri-Activ range of disinfectants & hygiene protection solutions
Quikkool mouth ulcer gel	Neko daily use soap	Ferradol iron supplement	i-Active menstrual cups	Naturolax Isabgol laxative		
	Caladryl anti-allergy and anti- itch lotion	Becozyme C Forte Vitamin B-Complex, benadon B6 tablets				

®Registered trademark of Bayer (Group)

Management Discussion and Analysis

Financial Review

Financial Review

(INR Crore)

Particulars	FY2023	FY2022	YoY Change
Revenue from operations	7,081.55	6,559.10	7.97%
Other Income (Net)	225.11	275.80	-18.38%
Total Income	**7,306.66**	**6,834.90**	**6.90%**
Expenses			
Cost of Materials Consumed	2,703.30	2,451.24	10.28%
Employee benefits expense	1,896.35	1,588.83	19.36%
Finance Costs	344.18	198.25	73.61%
Depreciation and amortisation expense	676.69	586.18	15.44%
Other Expenses (Net)	1,853.66	1,569.37	18.11%
Total Expenses	**7,474.18**	**6,393.87**	**16.90%**
EBITDA	**853.35**	**1,225.46**	**-30.36%**
Profit/(Loss) before share of net profit of associates, exceptional items and tax	**-167.52**	**441.03**	**-137.98%**
Share of net profit of associates	54.33	59.03	-7.96%
Profit/(Loss) after share of net profit of associates before exceptional item and tax	-113.19	500.06	-122.64%
Exceptional items	-6.96	-15.08	53.85%
Profit/(Loss) after share of net profit of associates and before tax	-120.15	484.98	-124.77%
Tax Expense	66.31	109.02	-39.18%
Net Profit/(Loss) after tax	**-186.46**	**375.96**	**-149.60%**

FY2023 compared to FY2022

Total Income

Revenue from operations

The Company's revenue from operations increased by 7.97% to ₹7,081.55 Crores in the Financial Year 2023 from ₹6,559.10 Crores in the Financial Year 2022, primarily driven by growth in:

- CDMO business due to growth in North America facilities and Discovery services,
- CHG Business driven by Inhalation Anaesthesia sales, particularly Sevoflurane with healthy growth momentum particularly in the US markets and,
- India Consumer Healthcare business driven by strong growth in power brands and strong sales traction in the D2C and e-commerce channel.

Total Expenses

Total expenses increased by 16.90% to ₹7,474.18 Crores in Financial Year 2023 from ₹6,393.87 Crores in Financial Year 2022. This was primarily due to increase in cost of goods sold, employee benefits expenses, finance cost, depreciation and amortisation cost and other expenses.

Cost of goods sold

Cost of goods sold increased by 10.28% to ₹2,703.30 Crores in Financial Year 2023 from ₹2,451.24 Crores in Financial Year 2022. This was primarily due to higher sales during the period and one time impact of inventory margin on account of demerger of ₹68 Crores.

Employee benefits expense

Employee benefits expense increased by 19.36% to ₹1,896.35 Crores in Financial Year 2023 from ₹1,588.83 Crores in Financial Year 2022. This was primarily on account of increment, headcount, annualisation impact of cost for positions recruited previous year and foreign currency fluctuation impact.

Finance costs

Finance costs increased by 73.61% to ₹344.18 Crores in Financial Year 2023 from ₹198.25 Crores in Financial Year 2022. This was primarily due to increase in average borrowings to fund capital expenditure and increase in interest rate.

Depreciation and amortisation expenses

Depreciation and Amortisation expenses increased by 15.44% to ₹676.69 Crores in Financial Year 2023 from ₹586.18 Crores in Financial Year 2022. This was primarily on account of capitalisation during the year and foreign currency fluctuation impact.

Other expenses

Other expenses increased by 18.11% to ₹1,853.66 Crores in Financial Year 2023 from ₹1,569.37 Crores in Financial Year 2022. This was primarily on account in marketing spend in the consumer product business, increase in operating expense related to additional capacities, impact of inflation and foreign currency fluctuation.

Profit/Loss for the Year

The loss for the Financial year 2023 stood at ₹186.46 Crores compared to profit of ₹375.96 Crores in Financial Year 2022. This is primarily due to increase in total income by ₹471.76 Crores offset by increase in total expenses by ₹1,080.31 Crores on account of higher cost of goods sold, employee benefits expense, finance cost, depreciation and amortisation expense and other expenses.

(INR Crore)

Key Balance Sheet Items	As at Mar'23	As at Mar'22
Total Equity	6,773.50	6,696.60
Net Debt	4,784.33	3,657.28
Deferred Consideration	11.13	89.91
Total	**11,568.96**	**10,443.79**
Net Fixed Assets	8,887.18	8,051.52
Tangible Assets	4,441.45	3,715.74
Intangible Assets including goodwill	4,445.73	4,335.78
Net Working Capital	2,325.69	2,056.85
Other Assets*	356.09	335.42
Total Assets	**11,568.96**	**10,443.79**

*Other Assets includes Investments & Tax assets

Equity

The net worth as on March 31, 2023, increased to ₹6,773.50 Crores from ₹6,696.60 Crores as of March 31, 2022, primarily due to foreign currency translation impact.

Net Debt

The net debt as on March 31, 2023, increased to ₹4,784.33 Crores from ₹3,657.28 Crores as of March 31, 2022, primarily due to increase in borrowing to fund capital expenditure.

Net Fixed Asset

The net fixed asset as on March 31, 2023, increased to ₹8,887.18 Crores from ₹8,051.52 Crores as of March 31, 2022, primarily due to capacity additions at various sites such as Riverview, Turbhe, In-Vitro facility creation at Discovery services, etc.

Net Working Capital

The net working capital as on March 31, 2023, increased to ₹2,325.69 Crores from ₹2,056.85 Crores as of March 31, 2022, primarily due to strategic buildup of inventory.

Strategic Priorities and Growth Drivers

Charting a Path to Success

Strategic Priorities

Track record of building scalable differentiated pharma business with an able workforce in attractive markets through profitable organic and inorganic growth

1. Drive demand in CDMO business by increasing the proposal velocity and win rate
2. Delivering consistent revenue growth and improving profitability
3. Pursuing organic and inorganic growth opportunities leveraging fresh capital
   - Capacity expansion across multiple sites
   - Acquisitions of differentiated manufacturing capabilities for CDMO
   - Add new complex hospital generics through in-licensing, acquisitions and capital investments
   - Organically and inorganically add Consumer Healthcare products to further leverage India-wide distribution platform
4. Continuing high-quality culture across manufacturing/development facilities globally
5. Continued focus on patient needs, customer experience, and ESG initiatives

Growth drivers for CDMO Business

Near-term visible revenue growth levers | **Upside beyond the plan**

Capacity
- Increase capacity through operational excellence
- Expand major sites through customer-led brownfield expansions

Capability
- Increase revenue share and attract customers with differentiated offerings
  - High Potent APIs
  - Peptides
  - Potent Sterile Injectables
  - Antibody Drug Conjugates
  - Hormonal OSD

Customer
- Support progression of existing customer development projects
- Partner with customers as 35+ Phase III projects transition development to registration to commercial
- Support growth of 18 on-patent commercial products
- Continue above average win-rate for emerging biopharma, large pharma and generic customers
- Continue exponential growth in integrated projects

Pursue inorganic growth
- Focus on expanding technical/product capabilities and to offer integrated services to a larger customer base
- In addition to capabilities, acquisitions could also bring incremental capacities or new customers with cross-selling

Growth drivers for Complex Hospital Generics Business

Near-term visible revenue growth levers | **Upside beyond the plan**

Strong pipeline
- Developing and commercialising a strong pipeline of 25+ products in niche areas with unique characteristics
- Increasing market share in inhalation anaesthesia

Differentiated portfolio
- Leveraging differentiated portfolio and global distribution for driving growth through strong customer relationships

Vertical integration
- Continuing vertical integration for revenue growth and margin expansion
- Transition some existing products to new CMOs to improve flexibility and profitability

Business acquisitions
- Carrying out synergistic product and business acquisitions

Growth drivers for India Consumer Healthcare Business

Near-term visible revenue growth levers | **Upside beyond the plan**

Technology enhancement
- Strength sales through tech enablement
- Capability building for improvement in market servicing

Building power brands
- Creating strong brands by increased investment in marketing
- Create awareness using media and promotion

Developing alternate channel
- Developing alternate distribution channels for enhanced revenue growth
- Leveraging e-commerce channels to launch key new products

Inorganic growth
- Acquire brands to build scale and leverage fixed cost structure
- Target brands with high potential to grow

Continued focus on patient needs, customer experience and ESG initiatives

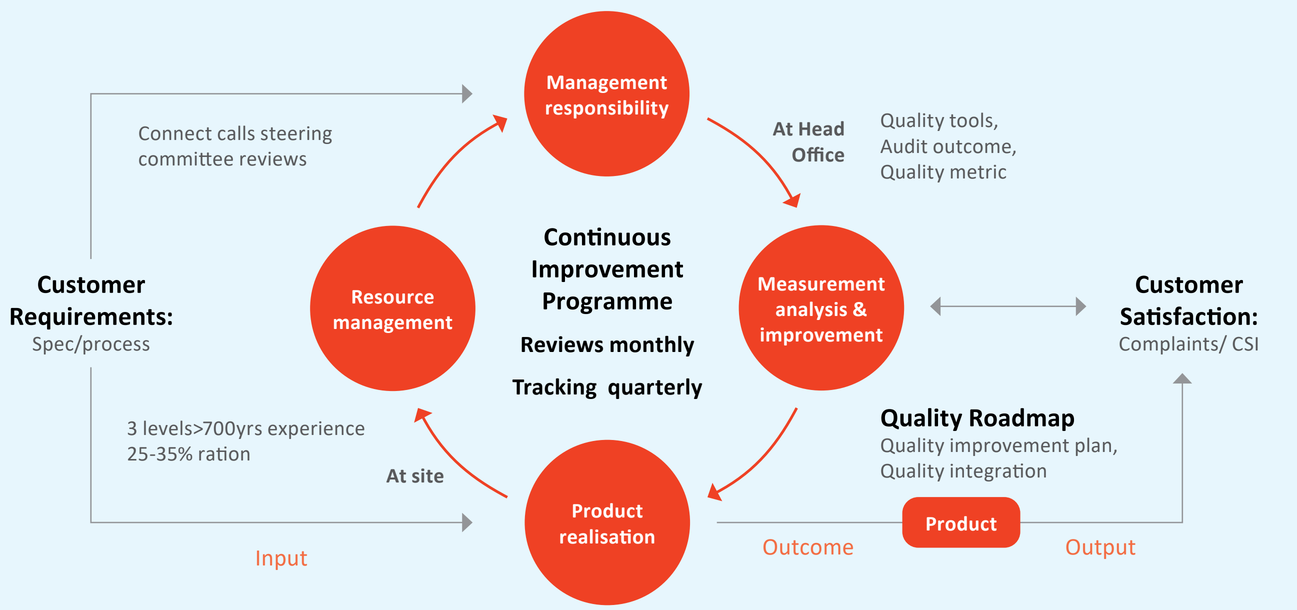
Quality and Compliance

Best-in-class Quality and Compliance Track Record

PPL's strong and independent Quality & Compliance framework ensures strict adherence to the highest quality standards, both at its own facilities and outsourcing partners. The governance, review, and escalation model implemented by the Company places patients at the core of all their quality decisions. The established competent functions such as the regulatory affairs division ensures the patient's priority and experience are closely guarded through compliant dossiers before product launches. The Quality division maintains quality throughout the product life cycle, while the Pharmacovigilance division takes charge once the products are in the field.

Piramal Pharma's quality governance extends across global, regional, and site structures, resulting in not only complimentary capabilities but also cost neutralization. Additionally, this overlapping structure enables the possibility of a 24x7 vigilance lighthouse.

Quality Process



- Draft regulation
- Regulatory updates
- Investigations
- Product review output
- Customer requests
- Audit CAPAs
- Appraisal output

- Industry best practices
- Shop floor rounds
- Risks identified
- Resource concerns
- DD exercise
- Competence uplift
- Training

- Organisation structure change
- Infrastructure upgrade
- Technology institution
- Process change
- System upgrade
- Enhanced controls
- Specification change

- Dossier change
- New corporate guideline

Quality Toolkit

The proprietary Quality toolkit that measures system consistency and inspection readiness was also expanded this year to sense customer experience too, thereby to appropriately augment leadership efforts and focus. Outcome of this, feeds into the continuous improvement plan which are fit for purpose and site based. There is a high impetus to digitise key manufacturing and quality databases to ease, secure and authenticate the data further.

Quality-centric Culture

The key tenants of the Quality culture– Autonomous quality division reporting into Piramal Chairperson, three-tiered Quality structure; collective Quality ownership; central governance and local execution; robust escalation mechanism; objective measurement tools and structured reviews–continue to be the same as before. This year, the Company has decided to expand the central cell to further reduce outsourcing dependency by internalising validation of digital modules. The Quality cell at the head office has also been expanded to effectively run global risk management and Quality intelligence in a scalable form. It is ensured that all the outsourcing partners and satellite offices are compliant plus products are meeting desired quality standards.

Staying Ahead of the Regulatory Curve

PPL continues to take pride in maintaining exemplary regulatory inspection track record and have successfully completed several US FDA audits, regulatory inspections and customer inspections over past several years. For transient site activity, a technical support group of capable people is established under central team. This team enables leveraging versatile bandwidth during high load period, preventing derailment of site routine there by securing both compliance and business. System harmonization continues to flow through corporate quality guidance getting translated into site operating procedures. The central cell serves as a hawk eye to vigil all regulatory guidance so that the Company updates its corporate guidance ahead of time. The Compliance group at the centre is also involved in dissecting and mapping various site data to flag risk if any in a timely manner. Learning and cross learning continue to get heightened focus as always. At the leadership level, quality is owned with equal importance by all functions and this trickles down with similar priority all the way down the chain.

36
Successful regulatory inspections in FY2023

4
Successful US FDA inspections in FY2023

Zero
OAIs since 2011

Quality as a Business Differentiator

The competent team is moulded to work effectively with business colleagues and while holding quality custody, also keep an eye on business needs. They can take right level of risk, making sure that patient safety and product quality is not compromised. Continuous improvement journey ensures that there is a visibility to true cost of product rejections and with this as a challenge has been redefined some of the calculation metrics. This will be known and controlled effectively as PPL moves ahead.

Key Highlights of FY2023:

- Regulatory Inspections:
  During the year, four of the Company's facilities underwent US FDA inspections, with two of them receiving zero observation. For the remaining two facilitates with VAI, the Company is in receipt of an EIR and the inspections are closed satisfactorily. Other regulatory inspections viz. Health Canada, MHRA, EMEA, SABS were also successfully completed at PPL sites without any critical observations.
- Quality Automation Initiative:
  Initiatives to automate Quality processes are driven through project 'Catalyst' to improve compliance and efficiency. The project focuses on elimination of paper-based processes.
- Quality Academy:
  Quality Academy programme initiated to create a community of experts across PPL sites is completed and learners were certified in March 2023. This is an in-house learning to help scalable structure.
- Site Improvement Plan:
  The improvement plan at sites is launched to understand the capabilities and limitation. It helps in ensuring continuous improvement in the identified areas and timely expansion at the manufacturing sites.
- Predictive Preventive Maintenance:
  Matrix for the criticality assessment of assets is launched to arrive at the tailor-made preventive maintenance strategy.

Quality and Compliance

The Company has created a multi-faceted, three-tier quality model that is implemented across all the sites and for all employees globally.

Global → Execution → **Corporate Divisions**

Global

Strategy
- Business aligned
- Compliance standards
- Regulatory interpretation
- Quality intelligence
- Piramal quality system
- Data integrity model
- Governance
- Due diligence
- Integration

Execution
- Escalation decisions
- Policies and white paper
- Corporate guidelines
- Management reviews
- Corporate GMP + DI audits
- Global QTA and key customer facing
- Steering committee reviews
- Tools to assess quality health
- Global risk management engine
- Best practice training

Process-driven continuous improvement and risk management cycles

REGIONAL ← **SITE** ← **CENTRAL CELLS**

REGIONAL

Strategy
- Region-based cultural challenges
- Local regulatory mandate
- Translates corporate programme
- Site satellite support
- Resource planning
- New site integration
- Data integrity program

Execution
- Quality roadmap tracking
- Risk mitigation actions
- Customer steering committee
- Two way connect
- Regional regulatory SPOC
- Regional level quality escalation

SITE

Strategy
- Region based cultural challenges
- Local regulatory mandate
- Translates corporate programme
- Site satellite support
- Resource planning
- New site integration
- Data integrity program

Execution
- Product assurance
- System compliance
- Audit facing
- Customer connect
- Internal audits
- Supplier management
- Training
- Batch releases

CENTRAL CELLS

- Regulatory Affairs and Compliance
- Pharmacovigilance
- Quality Compliance
- e-Compliance Cell
- Data Integrity Compliance
- External Supply Quality
- In-house Qualified Person (QP) Pool

Quality division reporting roll up to Chief Quality Officer and then into Chairperson

PPL stands by its core value of 'Care' and ensure that it serves quality products to its patients and customers in a timely manner and fully.

The Company has earned credibility for its brands and products through the highest standards of quality and safety, ethics and integrity. It strives to bring new and innovative, quality products to address the unmet needs of people in the country and overseas. A high-level policy document governs the quality procedures, fostering a quality culture and ensuring data integrity and scalable compliance. PPL's exceptional quality track record aligns with its business and ESG purpose.

Beyond manufacturing and quality compliance, the Company also focuses on post-marketing pharmacovigilance to ensure the patient safety element of the products. It has an established regulatory services and a pharmacovigilance team with considerable experience in filing regulatory applications, receiving approvals and monitoring post marketing safety.

Quality Strategy

Quest

QUEST *a journey towards Excellence*

Quality Strategy/Theme
- Consistent Compliance
- Perpetual Audit Readiness
- Reduce Cost of Poor Quality

Top Priorities
- Hiring and Retention
- Quality Culture
- Training for Right First Time
- Automation and Digitisation

Improvement Platform
- **Quality Systems**
- **Processes**
- **People**
- **Technology/ Infrastructure**

Execution

Fit-for-purpose execution model aligned to business' long-range plan:
- Quality Due Diligence for Acquisitions
- Quality Integration Plan for Acquired Sites
- Quality Improvement Plan for Existing Sites
- Quality Roadmap for Continuous Improvement

Review

Extent of review based on focus determined by Quality tools:
- Monthly leadership review
- Periodic site steering committee with excom
- Site level review at pre-defined frequency

ESG at the Core

Operating Responsibly Growing Sustainably

Piramal Pharma has always made sustainable performance a priority across its operations. It is a fundamental part of the Company's vision to become a leading integrated pharmaceutical company globally, driven by sustainability, inclusivity, and ethics. Guided by its four core values of Knowledge, Action, Care, and Impact, the Company is accelerating the pace with which it integrates sustainable practices, accountability, and transparency into its operations and across its value chain.

ESG Framework

In FY2022, the Company developed a robust ESG framework, built on four pillars and across 12 focus areas, guiding the Company's strategic and operational imperatives. It also committed to over 50 time-bound sustainability targets, which were published in its Sustainability Report, released in October 2022. In FY2023, the Company made significant progress on many of these targets in the areas of Environment, Social, and Governance (ESG).

- 1 Purpose | 4 Pillars |
- 12 Focus Areas

Environment

Piramal Pharma's Environment, Health, and Safety (EHS) initiatives are aimed at creating long-term sustainability and value for the Company, its shareholders, and other stakeholders. The Company prioritises preserving the natural environment by reducing its carbon footprint, conserving water, handling waste responsibly and conserving biodiversity, thereby maintaining the ecosystem, which is integral to its business responsibility and values.

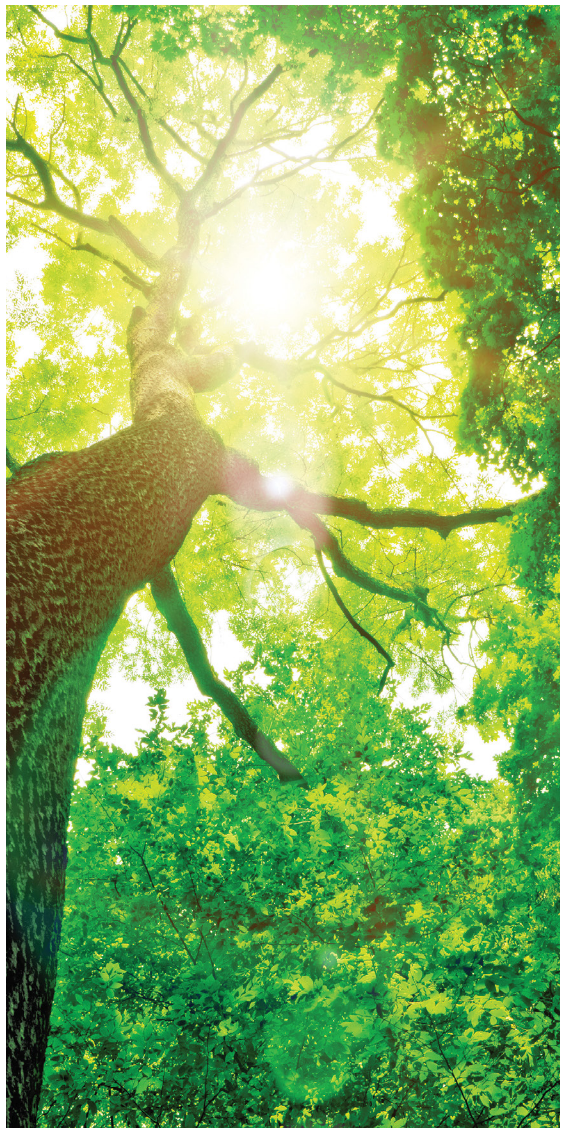
SBTi
Committed

6.43%
Reduction in Scope 1 emissions

9.79%
Reduction in Scope 2 emissions

~82,000
Trees across global sites

The Company's ESG and EHS policies reflects its core commitment to care for the environment. The policy guides the integration of sustainable practices into business processes and considers employee health and safety, and the protection of the environment.



During FY2023, the Company undertook several initiatives in the following areas:

Green House Gas (GHG) Emissions

With the help of third-party subject matter experts, PPL undertook anextensive assessment of all its global development and manufacturing sites to understand their GHG emissions, hotspots, and GHG trends. Based on these assessments and data collected, site-wise decarbonisation roadmaps have been developed which will guide the sites on the short term, medium term and long term interventions required to reduce their GHG emissions. The Company has also applied for SBTI (Science Based Target Initiatives).

Water Stewardship

The Company conducted comprehensive water use assessments (CWA) at India manufacturing sites to identify potential to minimise freshwater usage and enhance reuse and recycle water. Through this initiative, the Company identified scope to save over 400KLD (kilo litres per day) of freshwater. The Company plans to conduct similar water audits in its overseas manufacturing sites in FY2024. Post the completion of CWA across all the global sites, a detailed water conservation roadmap shall be prepared for each site.

Waste Management

During the year, the Company conducted re-assessment of its hazardous wastes disposal at its development and manufacturing sites. The Company is pleased to share that all its facilities outside India are disposing hazardous wastes to incineration facilities and not to landfills. Taking this forward, the Company has initiated a review of options, including pre-processing of hazardous wastes at its Indian facilities to achieve one of its ESG target of zero hazardous waste to landfills.

Green Cover and Afforestation

During the year, the Company implemented a tree plantation programme across all its locations to improve the ecological balance. Currently, the Company has more than 82,000 trees across its development and manufacturing sites all over world. The Company is further looking to plant more trees over the next 3 years to maximise the green cover across its sites.

Resource Conservation

The Company's Operational Excellence team is continuously working on resource conservation initiatives across global sites. These include waste reduction through yield improvement, fresh solvent usage reduction through recovery and reuse, optimisation of energy consumption in chillers, air compressors, cooling towers, high efficient motors, air handling units, and boilers, exploring renewable energy sources (wind, solar, hydel) and rainwater harvesting.

ESG at the Core

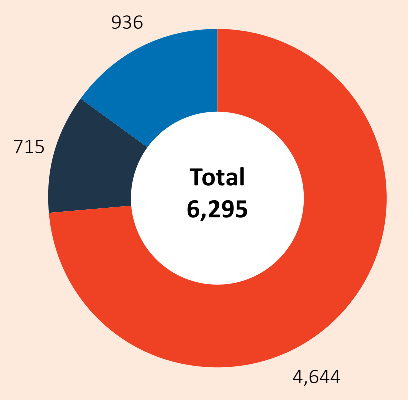
Social–People

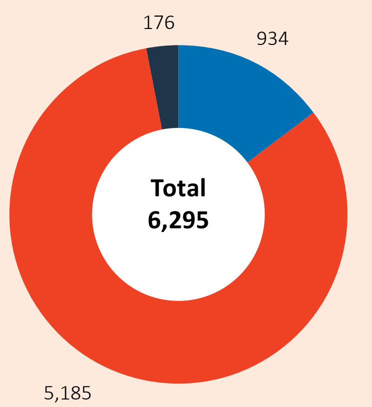
The purpose of 'Doing well and Doing Good' forms the foundation of PPL's people practices. The highest standards of safety and quality are committed to and considered as the cornerstone that enables the Company to serve patients, consumers, and customers across geographies, while bringing a positive difference to employees and stakeholders.

The values of Knowledge, Action, Care, and Impact, along with Piramal Success Factors, act as foundational pillars that guide the employees of Piramal Pharma in their pursuit of personal and organisational growth. The belief is firmly held that living in alignment with the Purpose, Values, and Piramal Success Factors will empower them to establish an organisation that remains committed to the cultural priorities of Patient, Consumer, and Customer-Centricity, Seamless Collaboration, and Empowered Accountability. This collective effort enables the Company to attain profitable growth.

Piramal Pharma, with its employee base of more than 6,200 talented people from different nationalities, cultures, demographics, gender, and expertise, offers an inclusive workplace that recognises merit and encourages innovation and out-of-the-box thinking.

Employee Count





India | North America | UK / ROW

Male | Female | Not disclosed

Strategic Drivers

Embedding Cultural Priorities across PPL

In order to deliver a consistent experience to all employees and stakeholders that aligns with the Company's strategy, a comprehensive culture shaping exercise was undertaken. The journey commenced by identifying Cultural Priorities. Each of the businesses within the organisation identified and implemented more than 22 Culture action plans. To provide support for the cascading of cultural priorities, a total of over 70 Culture Champions were identified. Furthermore, culture cascade sessions were conducted across the Company's sites, involving over 130 employees classified under Band 2 and above.

Being an Employer of Choice and attracting top-notch talent

Piramal Pharma strives to consistently bring its Employee Value Proposition of 'Design your Destiny' to fruition. This is achieved by offering internal talent various opportunities to advance their careers within the organisation.

Simultaneously, PPL aims to attract top-notch talent from external sources and create an environment where they can nurture their abilities and undergo personal transformation.

With the objective of establishing a robust entry-level pipeline, considerable investments are made to enhance the Company's brand presence on esteemed campuses through a comprehensive campus engagement program. In the fiscal year 2023, PPL conducted visits to more than 10 campuses and successfully recruited over 35 trainees across various programs such as Management Trainee, Global Emerging Leader, and Graduate Trainee.

Concurrently, the organisation is dedicated to offering career advancement prospects to its internal colleagues. Through the Career Opportunity Program, PPL has effectively filled 6.5% of all vacant positions, enabling internal employees to seize growth opportunities within the Company.

Engaging and Retaining High-Performing Employees

Piramal Pharma prioritises talent retention by leveraging three primary drivers: Employee engagement, employee recognition, and competitive compensation and benefits. These levers collectively contribute to creating a conducive work environment.

The employee engagement score of 67% chartered the path for the development of action plans by all businesses, sites, and functions.

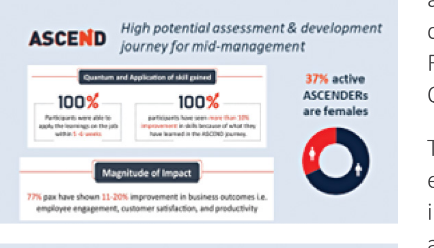
In January 2023, Piramal Pharma marked a significant milestone by hosting its inaugural PPL Chairperson's Awards in three different regions. These awards were designed to honor individuals who exemplified the Company's values and made a notable and lasting impact on the business.

Recognising the importance of competitive pay and benefits in retaining top-quality talent, Piramal Pharma has taken measures to enhance earning potential for its employees, through performance pay plan changes. The Company has also extended the Long-Term Incentive Programme to include all Band 4s globally,including both performance and time-based vesting.

Nurturing a Strong Leadership Pipeline through Robust L&D Interventions

With an aim to identify successors for critical roles and analyze the talent health and capability needs of the business, the Talent Review and Succession Planning process is run for 450 + mid, senior, and top management employees. The Company invests in Learning and Development programmes such as Ascend and Ignite that see participants undergo a comprehensive 12-18 months development journey that includes engaging in business impact projects, executive coaching, and gaining access to top-notch learning resources from around the world.

In FY2023, 40 participants graduated from these programmes. >60% witnessed a significant improvement in their skill levels, leading to over 10% impact on business outcomes.



Piramal Pharma places a significant emphasis on investing in the upskilling and capability development of its employees through The Piramal Learning University (PLU). PLU serves as a dynamic and thriving learning ecosystem, fostering individual growth and driving tangible results.

Senior leaders benefit from customised programmes within PLU that focus on leadership development. In FY2023, the organisation launched the Summit 3.0 programme, which is specifically designed to enhance self-awareness, motivate and inspire others, and strategically lead and influence colleagues to create a substantial impact. A group of 22 top leaders from various business units are currently participating in this transformative journey.

For junior and mid-management employees, the Piramal Leadership Series offers a range of initiatives to develop behavioural capabilities aligned with the Piramal Success Factors. In FY2023, a total of 418 employees were enrolled in the Piramal Leadership Series Programs.

PPL recognises the significance of functional skill-building in individual and organisational success. To address this, it runs more than nine functional academies, each dedicated to enhancing capabilities in areas such as IT, HR, Finance, Shared Services, Quality, R&D, Operations, Supply Chain, and Sales.

To ensure a consistent onboarding experience, a standardised Day 1 induction programme is implemented across the globe. Additionally, Discover Piramal, a biannual, two-day event, is curated for new hires in mid-management positions, giving them an insight into the ethos, values, and intricacies of PPL. Trainees and interns also undergo specially structured induction programmes called Headstart and Launchpad, respectively.

ESG at the Core

The Piramal Learning University Virtual Campus (PLU-VC) is a mobile-enabled learning experience platform.

Powered by over 21,000 behavioural and functional courses, the platform promotes self-driven learning across the group. In FY2023, over 90% of all the employees upgraded themselves by leveraging content available in PLU-VC.

Piramal
Learning University

VISION

Piramal Learning University

A living, thriving learning ecosystem that drives business results and enables individual experience

Leadership Development

Customised behavioural programmes for ExCom level leaders on:

- Leaders as Coaches
- Crucial Conversations
- Top Team Effectiveness
- Unconscious Bias
- Dealing with Ambiguity

Leadership Academy

Piramal Leadership Series
A set of 5 programmes for employees in Band 1 to 4 aligned with the Company's PSFS

418
Employees covered through Piramal Leadership Series programmes in FY2023

Functional Academies

9
Functional academies in PPL covering 483 employees

Central Academies
IT | HR | Finance | GBSS

PPS & PCC Academies
Quality | R&D | Operations | Supply Chain

CPD Academy
Sales

Induction Programmes

All new joiners undergo a standardised Day 1 induction and are assigned mandatory e-courses

Discover Piramal: Curated bi-annual, 2-day induction program for new hires in Band 3 & 4

Headstart & Launchpad: Structured induction programme for MTS/GTS and summer interns

Piramal Learning University Virtual Campus

Promoting self-learning through PLU-VC which offers 21,000+ courses powered by Skillsoft, along with functional content

90%
Coverage on PLU-VC

Learning initiatives: Learning Festival, Winter Games, ML-led recommendations

Piramal Learning University powered by PLU Virtual Campus

Learn
Build expertise and skill

Grow
Harness individual potential

Share
Enable collaboration and knowledge sharing

Create
Expand organisational capability

Innovate
Trigger ideas and fresh thinking

Building a sustainable and inclusive workplace

PPL maintains a strong dedication to responsible operations and sustainable growth. To achieve this objective, the Company has established a comprehensive ESG framework that encompasses 12 distinct focus areas. These areas are organised under four strategic pillars, namely Stakeholder Centricity, Responsible Operations, Business Resilience, and Quality and Excellence.

PPL remains steadfast in its commitment to minimising health hazards and ensuring a safe working environment for its employees. PPL has several training programmes, benefiting both its employees and contractual workers.

Leveraging technology to enhance employee experience and efficiency

PPL places significant emphasis on utilising technology to enhance the efficiency of its people, processes and elevate the overall employee experience. This strategic focus is an integral part of the Company's HR strategy.

To automate key people processes and streamline operations, PPL utilises an integrated Oracle HRMS (Human Resource Management System) platform. This platform enables the automation of various processes, including recruitment, onboarding, goal setting, performance management, and compensation. Additionally, PPL has developed custom applications to address specific requirements such as learning management, talent management, and succession planning.

To provide real-time information and insights, PPL employs Qliksense, a data visualisation tool. This tool enables the creation of interactive dashboards, providing stakeholders with clear visibility into crucial HR metrics and trends.

During FY2023, PPL successfully implemented the Oracle Recruitment Cloud (ORC) platform to enhance the efficiency of the hiring and onboarding processes. This platform enables the Company to leverage historical hiring data and requisition attributes to identify suitable candidates for any job requisition. It also provides recommendations to recruiters and hiring managers, facilitating seamless talent acquisition.

To further streamline HR operations, PPL introduced the Chatbot PiRo. This intelligent chatbot effectively handles repetitive and routine HR tasks, allowing the HR team to focus on more strategic responsibilities. By automating these routine operations, PiRo enhances operational efficiency and enables HR professionals to dedicate their time and expertise to more value-added initiatives.

ESG at the Core

Diversity and Inclusion

Currently, the workforce comprises 15.3% women, and the organisation takes pride in the fact that 40% of corporate roles are held by women. Notably, women represent 37% of the 'High Potential' talent pool, showcasing their strong presence in critical leadership positions.

The Company places a high priority on ensuring the safety and well-being of its women employees, fully adhering to the guidelines outlined in the Prevention of Sexual Harassment (PoSH) policy. In line with the commitment to foster a secure workplace, an online whistleblowing platform called SpeakUp has been introduced.

15.3%

of the workforce represented by women

40%

Corporates roles filled by women

37%

Of the 'High Potential' talent pool are women

100%

Compliance with PoSH guidelines

During Pride month, the organisation actively engages in celebrating and supporting the LGBTQ+ community. The Pride flag is prominently featured in the organisation's branding, serving as a visible symbol of support and solidarity.

To foster a more inclusive and understanding environment, talks and awareness programmes on relevant topics are conducted.

Learning & Development

More than 12,700 e-learning hours and 34,000 ILT (Instructor-led training) hours were recorded on PLU (Piramal Learning University) VC during FY2023.

Occupational Health and Safety

The Company's Lost Time Injury Rate (LTIR) for the year was 0.10, which is better than the target of LTIR < 0.2 per 200,000 person days worked. The Company also conducted over 15 hours of safety training per employee across its sites during the year. Piramal Pharma's 'Mysafe' portal on EHS MIS continues to facilitate transparent reporting and communication of EHS (Environment, Health, and Safety) aspects, KPIs and EHS CAPA management across sites globally.

0.10

LTIR per 200,000 person days

Social - Community Development

PPL's corporate social responsibilities (CSR) are carried out by the Piramal Foundation, the philanthropic arm of the Piramal Group. Piramal Foundation is committed to solving the most intractable problems of India through innovation and collaboration.

During the year, the Company spent ₹7.58 Cr on CSR initiatives, mainly towards improving the health and education indicators in 112 aspirational districts in India, where more than 10 Crores people live below poverty line.

The Company's employees are also committed to inclusive growth. Many of the employees have access to, and frequently use a dedicated portal to volunteer for community development activities with partner NGOs for suitable opportunities.

Governance

The governance framework of PPL goes beyond ensuring adherence to a set of regulations and internal processes. It influences the way the Company operates. Its sound governance practices are evident in the Company's ethical conduct and transparent business practices. The governance structure has a detailed set of practices, processes, and regulations that address the best interests of all its stakeholders. They bring to life the Company's focus on integrity, accountability, professionalism, transparency, and customer centricity to achieve sustainable growth.

Experienced and Diversified Board

The Company has an experienced and diversified Board. Its diverse Board comprises leaders who represent a broad spectrum of perspectives, experiences, expertise, gender, and cultures, enriching the Company. The Directors on the Board have been drawn from the fields of corporate management, science and innovation, public policy, entrepreneurship, pharmaceuticals, public health, finance, economics, technology, banking, risk, and governance, human resources, and others. They guide the Company's efforts to achieve its business and sustainability goals while creating value and targeting the best interests of its stakeholders.

Enterprise Risk Management

The Company has implemented an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage, and mitigate business risks. The Company's Risk Management Programme is reviewed periodically by the Board of Directors to ensure adequate policies and procedures are in place to implement strategy and manage risks. Mitigation measures are developed and implemented by business units while taking controlled risks.

Best-in-class Quality and Compliance

The Company has a best-in-class track record for quality and compliance. During the year, the Company had 36 regulatory inspections across its sites, including four by US FDA. Two of these US FDA inspections were closed with zero observations, while for the other two, the Company received an EIR (Establishment Inspection Report), thereby successfully closing the inspections. During the year, the Company also cleared several customer audits.

ESG Awareness amongst Employees

The Company has taken initiatives to increase ESG awareness among its employees. The Company has conducted multiple formal training sessions and discussions at each site and corporate office, ESG-themed e-learning contests, regular emails that offer insights into ESG, and sessions with external ESG experts.

The Company will be sharing its initiatives and progress on ESG in greater detail in its forthcoming Sustainability Report.

Tech and Cybersecurity

Futureproofing the Company

Piramal Pharma continues to invest in cutting-edge technology to enhance its capabilities and better serve its customers. As the Company grows and scales its business, it analyses and identifies growth opportunities in the current technological ecosystem to better align with its evolving visions and strategies.

In FY2023, PPL made significant progress in this area and continued its journey from being a strategic business partner to co-owning a business outcome of a tech-led transformation by:

- Enhancing customer experience through digital technology
- Leveraging data to improve business operations and decision making
- Maximising productivity through analytics and automation
- Creating cloud-based native IT infrastructure for improved security and flexibility
- Improving compliance and information security

PPL's main goal for FY2023 was to leverage analytics, automation, and other cutting-edge technologies to improve the drug development process, enhance manufacturing operations, and optimise the supply chain. In addition, the Company continued to invest in its digital infrastructure and implemented new technologies to improve efficiency, quality, and compliance across its operations. This includes the deployment of new digital tools for classic IT operations, which involved determining which systems are critical, managing security, managing data centres, supporting users, and utilising automated equipment and technologies to provide excellent governance leadership. PPL has also established several collaborations with leading technology institutions and service providers to leverage their expertise and bring new technologies to the fore.

Project Catalyst

With the intent to deploy technology as a catalyst to drive sustainable growth momentum and create a future ready organisation, PPL embarked on a **Digital Transformation Journey–Project Catalyst**—over the last financial year

Coverage

- **3 BUs** CDMO, CHG, and ICH
- **100+** Workshops constructed
- **15** Functions
- **500+** Participants engaged
- **35** Teams engaged

Outcome

- **15** Initiatives identified across the business
- **4** Business-specific digital roadmaps
- Construction of **Digital Transformation Office**
- Emergence of **Centres of Excellence** Automation, analytics, IoT, ERP, infrastructure

Key technology initiatives at Piramal Pharma

IT Infrastructure Modernisation

Modern and up-to-date IT infrastructure has been instrumental in allowing the Company to stay competitive and be equipped with latest security features to manage cyberattacks. It is also essential to upgrade the infrastructure to handle the enhanced workload.

By aiming to transform the IT infrastructure, PPL is continuously upgrading its underlying network and server infrastructure at all sites, both nationally and international, to a hyper-converged unified infrastructure, which will provide high levels of availability, scalability, better performance, and enhance the Company's ability to serve current business requirements. At the same time, these measures will help PPL move towards future growth prospects and automation opportunities.

Quality Management

Quality and regulatory compliance is vital to the Company. The document management system was rolled out at the Company's sites to meet electronic-signature compliance regulations. Various quality processes have been digitised and rolled out to manufacturing sites for better control and harmonisation. Quality control lab productivity analytics have also gone live at Indian and international sites to help track quality-control laboratory turnaround times, improve benchmarking, and reduce the overall manufacturing time.

Tech and Cybersecurity

Automation

Manufacturing automation

- With regard to the CDMO business, the capital-projects process automation went live at manufacturing sites, and it allows PPL to manage and track details relating to inefficient company assets or write-off products. Various other automation initiatives like the Sample Life Cycle Management module to standardise sample analysis-request processes also went live. This helped the Company to reduce paper usage, saved office space, lowered shredding machine manpower utilisation, and reduced electricity costs.

Sales automation

- The sales team at the CHG business has migrated from the current customer relationship management (CRM) platform to the salesforce platform, allowing them to identify white-space opportunities across divisions and collaborate more closely to secure more comprehensive sales strategies for new and existing products.

Artificial intelligence/machine learning (AI/ML)

- An automated tool has been developed for the India Consumer Healthcare (ICH) division to audit images captured by the sales team at various retail locations by leveraging machine learning. This helps the sales development team manage retailer incentives and reduces manual efforts.
- The ICH division is also leveraging this automated sales platform to track the end-to-end business process of the sales team covering field visits, expense disbursement, query resolution, etc. This has resulted in improved sales team efficiency and timely disbursement of the monthly expenses to the sales team, which earlier used to take at least a month to complete.

Warehouse management

- The IT system SAP is further strengthened with the gradual rollout of the warehouse management SAP module at various sites. Factors such as manufacturing resource planning, raw material/packaging material for furnished/semi-furnished goods, and the fixed asset module are also getting deployed in a phased manner to various sites, reducing the end-to-end cycle duration. Increased focus has been placed on ensuring the effective use of the implemented modules at various sites by end-users.

Analytics

PPL's analytics team helps identify and understand data needs that are inherent within the Company's business strategy, and they solve problems by leveraging data and cutting-edge technology to drive productivity, efficiency, and value. The function is completely integrated with the business as one of the growth levers, allowing PPL to zero in on opportunities and add impact across all business units.

Smart analytical tools and data-driven culture

- The CDMO business has implemented customer and supplier on-time, in-full (OTIF) analytics for improved tracking of the OTIF percentage on a daily basis, resulting in enhanced productivity and an ability to identify non-performing vendors.
- Various other analytical models are also deployed to manage inventory, track resource utilisation, process management, revenue tracking, etc., with an aim to improve business performance and efficiency.
- A smart recommendation engine had been developed for the ICH division that recommends the right SKUs/brands for each retailer. This also helps to optimally manage the dispatch of products to retailers by nullifying stock-out or no-stock situations and reducing the manual planning efforts by 90% while also ensuring 100% accuracy.
- The team has also developed a data-driven performance marketing model for e-commerce marketplaces to run marketing campaigns efficiently, thereby reducing customer-acquisition costs and increased offtake by >100% YoY.
- Data-management strategy: PPL is in the middle of developing a comprehensive data-management strategy that will act as a single source of reliable data from various sources, with a primary focus on data-quality management, data-governance processes and capabilities, and improved data accuracy/consistency.

Enterprise-wide data platform

PPL is all set to go ahead with setting up an organisation-wide data platform to act as a backbone for a company-wide, analytics-led business transformation. Moving forward, the Company plans to deploy analytics-led use cases once the data platform is in place to address critical business challenges across the three business units and expects to have a positive impact on various business critical parameters such as revenue, cost, productivity, efficiency, and accuracy. PPL is consuming more and more data for strategic decision making and using real-time dashboards for sales, inventory, production, and other operational metrics.

Enhanced customer experience

PPL's relationship with its customers is paramount to its businesses. The digital and analytics team collaborated with the business development team to launch a customer relationship management tool that will help streamline the business development efforts and capture leads. The Company has integrated most of the CDMO sites for 3D virtual tours, with over 50,000 virtual tours having been conducted to date. The Company has also created a Live and Dynamic Customer Centricity Dashboard using ML to capture customer sentiments and to enable leaders to review customer feedback and derive insights.

Exceptional employee experience

HR Chatbot-PiRo 2.0 is a virtual personal assistant that was created for employees and is available 24x7 to respond to employee queries. It went live across all Indian CDMO sites and enhanced user experiences. This year, more than 30,000 queries were answered using PiRo, with a 96.5% success rate. PPL also collaborated with human resources (HR) to strengthen the new employees' IT onboarding process, so they can receive their credentials, IT assets, and tech tools links on their first day of joining. Tech fest was also organised at one of the PPS Indian sites and a PPS UK site to increase employee awareness on future-ready technologies. The Company plans to conduct many more such fests and workshops in the future.

Safety automation

As an organisation, PPL is fully committed to achieving excellence in EHS and ensuring safe, healthy, and clean environments for employees to work in. To achieve these goals, the IT team collaborated with the EHS team to implement an industrial hygiene management tool to conduct task-based exposure assessment. Furthermore, the EHS management system is live to ensure safe operations by proactively identifying, analysing, and mitigating risks.

Cybersecurity

Strengthening information-security policies and procedures and keeping them current and relevant has been an integral part of the Company's information-security culture. PPL believes that information security is the responsibility of everyone and therefore runs many initiatives to disseminate information and raise awareness. To ensure all employees are aware of information security, cybersecurity, and the latest trends/issues in these areas, every employee is mandated to undertake a mandatory gamified online training programme on cybersecurity awareness.

Piramal Information Security conducted phishing assessments and formulated a cyber-quiz to gauge employee awareness levels, and they continue to send periodic emails, newsletters, and posters to inform them about this topic. The information security team at Piramal Pharma continued its journey of modernising its cyber security and data-protection technologies and solutions to protect the organisation against various cyberattacks and threats and to minimise the damage in instances of such attacks.

The Road Ahead

Project Catalyst is expected to significantly alter the employees' ways of working, moving the Company away from manual processes towards embedding technology across processes to achieve better business outcomes that are more effective and efficient.

Looking ahead, PPL remains committed to investing in technology to drive innovation and enhance its capabilities. It will also maintain its vision to sustain profitable growth by enhancing customer experiences, fostering frictionless supplier collaboration, and creating a highly productive and efficient workforce. The Company will keep taking rapid strides in its digital-transformation journey to build an intelligent organisation by leveraging digital ERP at its core, complemented by innovative applications, hyper-automation, and data analytics. PPL believes that these investments will enable the Company to better meet the evolving needs of its customers, and the business itself, by contributing to the advancement of healthcare globally.

Enterprise Risk Management

Identifying, Managing, and Mitigating Risks

Enterprise Risk Management (ERM)

Piramal Pharma has a well-structured Risk Management Policy that defines its Risk Management process, principles, and framework, thereby, ensuring that the risk faced by the Company and its subsidiaries are managed on an on-going basis. The Company has implemented a compressive Risk Management System to ensure that all the major risks to the business are properly identified and controlled effectively.

Risk Management Process

Risk Identification	Risk Assessment	Risk Treatment / Mitigation	Risk Review / Closure

Risk Identification

Under this process, the Company focuses on identification of the risks that have an impact on business objectives. It uses a diverse set of tools and methodologies to identify new and emerging risks. The risks identified are then listed in a risk register maintained by risk coordinators. The register is reviewed and updated on yearly basis to ensure the persistence of the risks listed and closure of ceased risks.

Risk Assessment

The Company assesses the risks identified on two key parameters: i) Likelihood of the risk event; ii) Impact created by the risk on the business. Based on the combined score of these two parameters, a risk prioritisation activity is undertaken, and critical risks are then prioritised for treatment and preparation of mitigation strategies.

Risk Treatment/Mitigation

The Company uses multiple treatment options based on the nature of risk which can range from risk avoidance, acceptance, reduction to risk transferring.

Risk Review and Closure

The Company conducts regular reviews to ensure that the mitigation plans remain relevant to the changing business and regulatory needs. The risk coordinator reviews the risk register and risk profile of the critical risks on a yearly basis to ensure the action plans are relevant and are on track. The risks that are either mitigated or are not relevant in the current situation are closed after a proper approval from the Business Head and CRO to maintain reliability in the risk management process.

Major Risks and Mitigating Actions

Probable risks	Possible impact	Mitigation measures
Client and product concentration risk	**Client concentration:** There are large contracts with few customers. Any setback may adversely affect the Company's financials. **Product concentration:** With few products with high margins, a drop in sales of any of these products can adversely impact the Company's overall financials.	• PPL's business development teams actively seeks to diversify the Company's client base and products to mitigate concentration risk. • The Company is also developing a pipeline of new products, which are in various stages of development, with a view to reduce product concentration risk.
Risk of adverse fluctuations in foreign exchange	The Company's revenue accrues in multiple global currencies. Negative fluctuations could impact profitability adversely.	• Based on current macro-economic conditions and applicable regulatory guidelines, the central treasury aggregates the foreign exchange exposure and takes effective measures to hedge these exposures.
Talent acquisition and retention risk	Human capital is an important pillar for the Company's growth, which makes it imperative to attract and retain quality talent. High attrition rates could impact the performance of the Company.	• Employee retention is attained through several learning and skill-development programmes, employee engagement initiatives, and rewards/recognition programmes that enables PPL to motivate employees and increase loyalty.
Liquidity risk	Lack of available liquid financial assets, such as cash, may cause difficulties in meeting the obligations associated with the financial liabilities.	• PPL has raised a strategic investment from the Carlyle Group and has also announced the issuing of rights of its equity shares, which provides adequate liquidity to fund the Company's growth plans. • The Company is also taking several measures to drive revenue growth and optimise costs to improve cashflows.
Manufacturing and site interruption risk	Frequent machinery breakdowns, ageing sites/equipment, and inadequate maintenance procedures could result in production loss/interruptions.	• PPL lists down all assets along with performance trends and life cycle and makes plans for equipment replacement. It also works towards refurbishment of the equipment through its original equipment manufacturer (OEM) in order to attain extension in its life cycle. • The Company also assesses the quality of current preventive maintenance and generates a five-year plan for maintenance/replacement, with appropriate prioritization that is based on risk/impact.
Supply-chain-interruption risk	Dependency on single vendor for sourcing, especially for critical materials, could lead to supply disruption risks.	• The Company has developed alternate vendors for its critical materials to reduce dependence on a single source. • PPL also conducts regular vendor reviews of its top-contributing vendors to assess supply risk.
Technology risk	Loss of data and unauthorised access to information technology systems, owing to security breach, could adversely impact business operations and the Company's reputation.	• The Company has a robust cyber security framework in place, which uses antivirus, anti-spyware protection and firewalls to protect against any possible breach. • Additionally, the Company uses remote data backups and the latest versions of software through secured computers and servers to mitigate the technology risks.
M&A risk	PPL may not be able to achieve the projected additional revenue following the acquisition of a business. This could incur significant additional debt and contingent liabilities, or ongoing operations could be disrupted.	• Decisions like mergers and acquisitions are well-thought-out and considered moves. PPL only selects companies with capabilities that complement its own and that are synergistic with the Company. • PPL has an experienced M&A team that has worked on multiple mergers and acquisitions across various geographies and business segments.
Environment risk	PPL recognises the importance of preserving the environment and is committed to conserving natural resources. The Company has dedicated environment, health, and safety (EHS) practices and procedures in place. Any non-adherence to them may expose the Company to adverse consequences.	• The Company has adopted the principal of the ₹5 (reduce, reuse, recover, recycle, and rethink) for managing natural resources. • Additionally, there are multiple sustainability initiatives underway in areas, such as water conservation, waste management, energy conservation, and reduction of carbon footprints.
Inflationary risk	There are margin pressures due to global inflationary impact and the inability to entirely pass on the same rising costs through price increases.	• PPL is looking to increase production efficiency through operational excellence initiatives. • The Company is setting up new contracts with an appropriate inflation-tracking index, undertaking judicious price increases where there is high price elasticity, negotiating better deals with vendors to optimise input costs, and entering long-term contracts for key raw materials.
Product and quality risk	PPL is expected to maintain global quality standards in manufacturing, as quality issues with products can impact customer confidence worldwide, and in turn adversely affect its reputation.	• The Company's adherence to prescribed quality standards is monitored by a dedicated Corporate Quality Assurance Group. • It has independent quality teams that report directly to the Board. • The Company is also moving from 'quality for compliance' to 'quality as a culture' in its quality enhancement journey, with a focus on systems, processes, technology, and people.

Report on Corporate Governance

A report for the financial year ended March 31, 2023 on compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), is furnished below.

The Company was listed on the Stock Exchanges i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on October 19, 2022, pursuant to the Composite Scheme of Arrangement as described in the Board's Report forming part of this Annual Report ('Scheme').

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

We believe that Corporate Governance is a combination of voluntary practices and compliance with laws and regulations leading to effective control and better management of the organisation and is in the interest of all stakeholders. Good Corporate Governance leads to enhanced long-term stakeholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and stakeholder value.

The Company's essential character is shaped by its values of Knowledge, Action, Care and Impact and the Company therefore believes in transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The Board fully supports and endorses the Corporate Governance practices as envisaged in the SEBI Listing Regulations.

2. BOARD OF DIRECTORS

A. Composition and Size of the Board

The Board is entrusted with the ultimate responsibility of management, direction and performance of the Company. The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. As on March 31, 2023, the Company's Board comprised of 10 Directors, as given in the table below and was in conformity with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements. 50% of the Company's Board comprised of Independent Directors.

Names of Directors	Other Directorships as on March 31, 2023[1]		Membership of other Board Committees as on March 31, 2023[2]		Directorships in other listed companies and category of Directorship as on March 31, 2023
	as Director	as Chairperson	as Member	as Chairperson	
Executive Directors – Promoter Group					
Ms. Nandini Piramal - Chairperson	4	0	2	0	The Swastik Safe Deposit and Investments Limited (Non- Executive Director) Piramal Enterprises Limited (Non-Executive Director)
Mr. Peter DeYoung	-	-	-	-	-
Executive Director – Non Promoter Group					
Mr. Vivek Valsaraj	1	-	-	-	-
Non-Executive & Non - Independent Directors - Non Promoter Group					
Mr. Neeraj Bharadwaj	9	-	2	-	Sequent Scientific Limited (Non- Executive, Non- Independent Director)
Ms. Nathalie Leitch[&]	-	-	-	-	-
Non – Executive, Independent Directors					
Mr. S. Ramadorai	2	-	-	-	Piramal Enterprises Limited (Independent Director)
Mr. Jairaj Purandare	3	-	2	2	HDFC Asset Management Company Limited (Independent Director)
Mr. Sridhar Gorthi	5	-	3	1	Glenmark Pharmaceuticals Limited (Independent Director) Hathway Cable and Datacom Limited (Independent Director) Glenmark Life Sciences Limited (Independent Director) Exide Industries Limited (Independent Director)
Mr. Peter Stevenson	-	-	-	-	-
Ms. Vibha Paul Rishi[@]	4	-	3	2	ICICI Bank Limited (Independent Director) Asian Paints Limited (Independent Director) ICICI Prudential Life Insurance Company Limited (Independent Director) Tata Chemicals Limited (Independent Director)

[&] Ms. Nathalie Leitch was appointed as a Non-Executive Director with effect from May 24, 2022.

[@] Ms. Vibha Paul Rishi was appointed as a Non-Executive, Independent Director with effect from August 30, 2022.

Notes:

1 This excludes directorships in the Company, foreign companies and companies licensed under Section 8 of the Companies Act, 2013 (the 'Act').

2 This relates to membership of Committees referred to in Regulation 26(1) of the SEBI Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not and excludes committee positions in the Company, private limited companies, foreign companies and companies licensed under Section 8 of the Act.

Details of change in the composition of the Board during the current and previous financial year:

Sr. No.	Name of Director	Capacity (i.e Executive/Non-Executive/Chairman/Promoter/ Nominee/ Independent)	Nature of change (Resignation/ Appointment)	Reason for resignation (if applicable)	Effective date
Change in Composition in FY 2022					
1.	Mr. Rajesh Laddha	Executive Director	Resignation	Resignation due to personal reasons	February 8, 2022
2.	Mr. Vivek Valsaraj	Executive Director	Appointment		February 9, 2022
3.	Mr. Peter Stevenson	Independent Director	Appointment	-	March 30, 2022
4.	Mr. Sridhar Gorthi	Independent Director	Appointment	-	March 30, 2022
Change in Composition in FY 2023					
1.	Ms. Nathalie Leitch	Non-Executive Director	Appointment	-	May 24, 2022
2.	Ms. Vibha Paul Rishi	Independent Director	Appointment	-	August 30, 2022

I. Key Board qualifications, skills, expertise and attributes

In the context of the Company's business and activities, the Board has identified that skills/expertise/competencies in the areas of General Management, Science and Innovation, Entrepreneurship, Pharmaceuticals, Public Health, Business Leadership, Strategy, Finance, Mergers and Acquisitions, Economics, Technology, Risk Management, Governance, Human Resources, Marketing and Commercial skills are needed for it to function effectively.

The Company's Board is comprised of individuals who are reputed in these skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. From time to time, Members of the Board have also received recognition from the Government, various Industry Bodies and Business Associations for the contribution made in their respective areas of expertise.

Report on Corporate Governance

Members of the Board as on March 31, 2023, possess the following identified skills and core competencies:

Name of Director	General Management including Human Resources	Entrepreneurship and Business Leadership, including Strategy and Mergers & Acquisitions	Pharmaceuticals and Public Health	Finance, Economics, Taxation, Legal, Risk and Governance	Technology, Science, Innovation, Marketing and Commercial
Ms. Nandini Piramal	√	√	√	√	√
Mr. Peter DeYoung	√	√	√	√	√
Mr. Vivek Valsaraj	√	√	√	√	-
Mr. S. Ramadorai	√	√	√	√	√
Mr. Jairaj Purandare	√	√	-	√	-
Mr. Sridhar Gorthi	√	√	√	√	√
Mr. Neeraj Bharadwaj	√	√	√	√	√
Mr. Peter Stevenson	√	√	√	√	√
Ms. Nathalie Leitch	√	√	√	√	√
Ms. Vibha Paul Rishi	√	√	√	-	√

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for it to function effectively.

II. Role of Independent Directors

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The wide knowledge that is possessed in their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, independent and experienced perspective.

The Company benefits immensely from their inputs in achieving its strategic direction.

The Company has subsidiaries in India and overseas. In order to leverage the experience of Independent Directors of the Company for the benefit of and for improved Corporate Governance and better reporting to the Board, some Independent Directors also serve on the Boards of few subsidiary companies.

The statutory committees of the Board viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee are chaired by Independent Directors and the Sustainability and Risk Management Committee is chaired by Ms. Nandini Piramal, Chairperson of the Company.

Based on the disclosures received from the Independent Directors at the time of their appointment and thereafter, at the beginning of each financial year and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the SEBI Listing Regulations and are independent of the Management.

None of the Independent Directors of the Company serve as Independent Directors in more than seven listed companies. Further, none of the Whole-Time Directors of the Company serve as Independent Directors in more than three listed companies.

III. Meeting of Independent Directors

The Company's Independent Directors met on February 08, 2023 in the absence of Non-Independent Directors and Members of Management. At this meeting, the Independent Directors reviewed the following:

1 Performance of the Chairperson;

2 Performance of the Independent and Non-Independent Directors;

3 Performance of the Board as a whole and its Non-Administrative Committees.

They also assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

IV. Familiarization Programme for Independent Directors

The Company has established a Familiarization Programme for Independent Directors. The framework together with the details of the Familiarization Programme conducted during the period under review has been uploaded on the website of the Company and can be accessed at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/

During the year under review, the newly inducted Independent Directors were familiarized with the Company, its businesses and the senior management.

Periodic presentations were made at the Board meetings apprising the Board Members about the finer aspects of the Company's businesses, the challenges faced, action plans and way forward, including:

- Impact of the industry in which the Company operates on the business of the Company;
- Budgets, operations and performance of the businesses and relevant regulatory/legal updates in the statutes applicable to the Company;
- Risks and opportunities for the businesses;
- Future outlook and the way forward.

V. Inter-se relationships among Directors

None of the Directors are related to each other except for Ms. Nandini Piramal, who is married to Mr. Peter DeYoung.

VI. Board Evaluation

Evaluation of performance of all Directors is undertaken annually. The Company has established a system of performance evaluation whereby the performance of the Board of Directors as a whole and of its Committees and Non-Executive Directors is evaluated on the basis of a structured questionnaire which is comprised of evaluation criteria based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ('SEBI'). The performance of the Executive Directors is evaluated on the basis of achievements of their Key Result Areas.

The Board of Directors had discussed the feedback and expressed its satisfaction with the evaluation process.

VII. Certification from Company Secretary in Practice

A certificate has been received from N. L. Bhatia & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors in any company, by the SEBI, Ministry of Corporate Affairs or any such statutory authority. The certificate is attached to the Board's Report forming part of the Annual Report.

B. Board Meetings and Procedures

The yearly calendar for the Board and Committee meetings is fixed well in advance and is in confirmation with the availability of the Directors, so as to facilitate active and consistent participation of all Directors in the Board and Committee meetings. Minimum four pre-scheduled Board/ Committee Meetings are held every year (once every quarter). Additional Board Meetings are convened as may be required, to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation, as permitted by law. Video conferencing facilities are provided to enable active participation by Directors who are unable to attend the meetings in person.

The Board has unrestricted access to all Company related information. All necessary information including but not limited to those mentioned in Part A of Schedule II to the SEBI Listing Regulations, are placed before the Board. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning of the Board is democratic. Detailed presentations are made to the Board regularly covering business performance, operations and finance. Update(s) on matters arising from previous meetings are placed at the succeeding meeting of the Board/Committees for discussions, approvals, noting, etc. Also, Members of the Senior Management team are invited to attend Board Meetings, who provide additional inputs to the agenda that is discussed by the Board. The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company.

There was no instance during FY 2023, where the Board of Directors had not accepted the recommendation of any Committee of the Board, which was mandatorily required.

I. Meetings Held

Eight Board Meetings were held during the year. Quorum was present at all Meetings and the gap between two Board Meetings did not exceed one hundred and twenty days.

Dates of meetings held during the year and attendance of Directors therein are as follows:

Dates of the Board Meetings	No. of Directors Present at the Meetings
April 1, 2022	8
May 24, 2022	8
July 27, 2022	9
August 30, 2022	10
November 8, 2022	10
February 8, 2023	9
March 24, 2023	9
March 30, 2023	10

II. Details of Directors attendance at Board Meetings held during FY 2023 and at the last Annual General Meeting ('AGM') held on July 28, 2022 are given in the following table:

Names of Directors	Board Meetings		Attended last AGM
	Held during tenure	Attended	
Ms. Nandini Piramal	8	8	Yes
Mr. Peter DeYoung	8	8	Yes
Mr. Vivek Valsaraj	8	8	Yes
Mr. S. Ramadorai	8	8	No
Mr. Jairaj Purandare	8	7	Yes
Mr. Sridhar Gorthi	8	8	Yes
Mr. Neeraj Bharadwaj	8	7	No
Mr. Peter Stevenson	8	7	No
Ms. Nathalie Leitch$	7	7	No
Ms. Vibha Paul Rishi&	5	5	N.A.

$ Appointed with effect from May 24, 2022

& Appointed with effect from August 30, 2022

C. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors as on March 31, 2023 is given below:

Name of Directors	No. of shares held
Mr. S. Ramadorai	24,008

Report on Corporate Governance

3. STATUTORY BOARD COMMITTEES

The Board Committees are set up by the Board and are governed by their charters which exhibit their scope, composition, tenure, terms of reference, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and they deal with specific matters for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The minutes of meetings of all Committees of the Board are placed before the Board for noting.

The Company has five Statutory Committees, as follows, in terms of the Act and SEBI Listing Regulations:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Sustainability and Risk Management Committee

A. Audit Committee

I. Constitution of the Committee

The Audit Committee is comprised of three members, as on March 31, 2023, per details in the following table:

Committee Member	Designation in the Committee	Nature of Directorship	Member of Committee since
Mr. Jairaj Purandare	Chairman	Non- Executive, Independent Director	April 16, 2021
Mr. S. Ramadorai	Member	Non – Executive, Independent Director	April 16. 2021
Mr. Sridhar Gorthi	Member	Non – Executive, Independent Director	July 6, 2022

All the members of the Committee have sound knowledge of finance, accounts and business management. The Chairman of the Committee, Mr. Jairaj Purandare has extensive financial management and accounting expertise.

The composition of this Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. Ms. Tanya Sanish, Company Secretary, is the Secretary to the Committee.

II. Terms of Reference

The broad terms of reference of the Audit Committee, *inter alia,* includes the following:

1. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
2. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. To approve, including any subsequent modifications of transactions of the Company with related parties;
4. To undertake scrutiny of inter-corporate loans and investments;
5. To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
6. To evaluate internal financial controls and risk management systems;
7. To establish, monitor review and oversee the vigil mechanism/ whistle blower mechanism;
8. To grant omnibus approval for related party transactions proposed to be entered into by the company subject to the conditions as may be specified by the Board, the Act or the Regulations;
9. To undertake reviews in line with the requirements of the Forex Risk Management Policy of the Company as may be amended from time to time;
10. To consider and approve an anti-corruption policy to be adopted by the Company and amendments thereto, from time to time;
11. To review the financial statements, in particular, the investments made by unlisted subsidiaries of the Company;
12. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
13. To approve payment to statutory auditors for any other services rendered by the statutory auditors;
14. To review, with the management, the quarterly financial statements before submission to the board for approval;
15. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
16. To review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Modified opinion(s) in the draft audit report;
17. To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
18. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
19. To discuss with internal auditors of any significant findings and follow up there on;
20. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
21. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
22. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
23. To approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
25. To review the management discussion and analysis of financial condition and results of operations;
26. To review management letters / letters of internal control weaknesses issued by the statutory auditors;
27. To review internal audit reports relating to internal control weaknesses;
28. To review the appointment, removal and terms of remuneration of the chief internal auditor;
29. To review statements of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
30. To review statement of deviations of annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
31. To examine financial statements and the auditors' report thereon;
32. To monitor the end use of funds raised through public offers and related matters;
33. To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
34. To recommend the appointment, remuneration and terms of appointment of cost auditors of the Company;
35. To approve the cost statements, including other statements to be annexed to the cost audit report under the Companies (Cost Records and Audit) Rules, 2014 and submit the same to the cost auditors for their Report thereon;

Report on Corporate Governance

36. To examine the signed cost audit report from the cost auditors and to give explanation on reservations or qualifications therein, if any;

37. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

38. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

39. Undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time;

40. To take any other decisions and steps as may be required under Section 177 and other applicable provisions of the Act as well as any other applicable legislation that may be in force or modified/ implemented from time to time;

41. To investigate into any matter within the scope of its terms of reference or as may be referred to it by the Board;

III. Meetings held and Attendance

The Audit Committee met six times during the year under review on May 24, 2022, July 27, 2022, September 15, 2022, November 08, 2022, February 08, 2023 and March 15, 2023 and the attendance of the members was as follows:

Names of Members	No. of Meetings held	Meetings attended
Mr. Jairaj Purandare – Chairman	6	6
Mr. Vivek Valsaraj*	1	1
Mr. S. Ramadorai	6	6
Mr. Sridhar Gorthi	5	5

*Ceased to a member of the Audit Committee w.e.f July 06, 2022

The frequency of the Committee Meetings was more than the minimum limit prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

Functional/business representatives also attend the meetings periodically and provide deeper insights into operations, information and clarifications as required by the Committee. Further, the Audit Committee invites representatives of the Statutory Auditors, Cost Auditors and Internal Auditors where their respective reports are discussed at the meetings during the year under review.

Mr. Jairaj Purandare, Chairman of the Audit Committee, attended the last Annual General Meeting.

B. Nomination & Remuneration Committee

I. Constitution of the Committee

The Nomination & Remuneration Committee ('NRC') is comprised of four members as per details in the following table as on March 31, 2023:

Committee Member	Designation in the Committee	Nature of Directorship	Member of Committee since
Mr. S. Ramadorai	Chairman	Non- Executive, Independent Director	April 16, 2021
Ms. Nandini Piramal	Member	Executive Director	April 16, 2021
Mr. Jairaj Purandare	Member	Non – Executive, Independent Director	April 16, 2021
Ms. Vibha Paul Rishi	Member	Non – Executive, Independent Director	August 30, 2022

The composition of this Committee is in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

II. Terms of Reference

The broad terms of reference of the NRC *inter alia,* includes the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

2. To identify persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, to recommend to the Board their appointment and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

3. To formulate the criteria for evaluation of performance of independent directors and the board of directors;

4. To devising a policy on diversity of board of directors;

5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. To recommend to the board, all remuneration, in whatever form, payable to senior management;

7. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

8. Any other terms of reference as laid down in Section 178 and other applicable provisions of the Act and SEBI Listing Regulations, as well as any other applicable legislation that may be in force or modified/ implemented from time to time.

III. Meetings held and Attendance

The Committee met four times during the year under review, on May 20, 2022, July 26, 2022, August 30, 2022, March 30, 2023 and the attendance of the members was as follows:

Name of Members	No. of Meetings held	Meetings attended
Mr. S. Ramadorai – Chairman	4	4
Ms. Nandini Piramal	4	4
Mr. Jairaj Purandare	4	4
Mr. Neeraj Bharadwaj*	3	3
Ms. Vibha Paul Rishi	1	1

*Ceased to be a member w.e.f August 30, 2022

While Mr. S. Ramadorai, Chairman of the Nomination and Remuneration Committee expressed his inability to attend the last Annual General Meeting of the Company, he had authorised Ms. Nandini Piramal to attend on his behalf.

IV. Performance Evaluation Criteria for Independent Directors

The Performance Evaluation of Independent Directors is based on criteria such as professional qualifications, experience, knowledge and competency, active participation at the Board/Committee meetings, ability to function as a team, initiative, availability and attendance at meetings, commitment and contribution to the Board and the Company, integrity, voicing of opinions freely, independence from the Company and other Directors and whether there is any conflict of interest, etc. These are in compliance with applicable laws, regulations and guidelines.

C. Stakeholders Relationship Committee

I. Constitution of the Committee

The Stakeholders Relationship Committee ('SRC') is comprised of three members, as per details in the following table as on March 31, 2023:

Name of Directors	Designation in the Committee	Nature of Directorship	Member of Committee since
Ms. Vibha Paul Rishi	Chairperson	Non-Executive, Independent Director	August 30, 2022
Ms. Nandini Piramal	Member	Executive Director	August 30, 2022
Mr. Vivek Valsaraj	Member	Executive Director	August 30, 2022

Report on Corporate Governance

The composition of this Committee is in compliance with the requirements of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

II. Terms of Reference

The broad terms of reference of the SRC, *inter alia,* includes the following:

1. To look into the redressal of grievances of debenture holders and other security holders (in addition to shareholders);
2. To resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
3. To review measures taken for effective exercise of voting rights by shareholders;
4. To review adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. To review the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
6. To undertake or perform such other role as required by law or as may be directed by the Board, from time to time.

III. Meetings held and Attendence

The Committee met once during the period under review on February 08, 2023 and all members of the Committee attended the meeting.

IV. Stakeholders Grievance Redressal

From the date of listing of the Company on the stock exchanges i.e. October 19 2022, 7 complaints were received and redressed to the satisfaction of shareholders. 1 complaint was outstanding as on March 31, 2023.

The Registrar and Share Transfer Agents ('RTA'), Link Intime India Private Limited, attend to all grievances of shareholders received directly or through SEBI, Stock Exchanges or the Ministry of Corporate Affairs.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints/queries. Likewise, the Company also has regular interaction with the Debenture Trustees to ascertain the grievances, if any, of the Debenture holders. There was no grievance received from the Debenture Trustee or from any of the Debenture holders during the period under review.

V. Compliance Officer

Ms. Tanya Sanish, Company Secretary, is the Compliance Officer in line with the requirement of the SEBI Listing Regulations. The email ID shareholders.ppl@piramal.com has been designated for stakeholders to email their queries/grievances.

D. Corporate Social Responsibility Committee

I. Constitution of the Committee

The Corporate Social Responsibility Committee ('CSR Committee') is comprised of three members, per details in the following table as on March 31, 2023:

Committee Member	Designation in the Committee	Nature of Directorship	Member of Committee since
Mr. Jairaj Purandare	Chairperson	Non-Executive, Independent Director	April 16, 2021
Ms. Nandini Piramal	Member	Executive Director	April 16, 2021
Mr. Vivek Valsaraj	Member	Executive Director	February 09, 2022

The composition of the Committee is in compliance with Section 135 of the Act.

II. Terms of Reference

The broad terms of reference of the CSR Committee, *inter alia,* includes the following:

1. To recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall provide the approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of annual action plan(s);
2. To formulate and recommend annual action plan(s), and any modifications thereof, to the Board comprising of following information:
   i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
   ii) the manner of execution of such projects or programmes;
   iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
   iv) monitoring and reporting mechanism for the projects or programmes; and
   v) details of need and impact assessment, if any, for the projects undertaken by the Company;
3. To approve specific projects, either new or ongoing, in pursuance of the Areas of Interest outlined in the CSR Policy, for inclusion in the annual action plan or for contributing to specific funds/ agencies as specified in Schedule VII of the Act;
4. To recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts;
5. To review the progress of CSR initiatives undertaken by the Company;
6. To monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the projects undertaken;
7. To review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report;
8. To review and recommend to the Board, the impact assessment report as may be obtained by the Company from time to time;
9. To undertake such activities and carry out such functions as may be provided under Section 135 of the Act and the Rules framed thereunder, as well as amendments thereto from time to time.

III. Meetings held and Attendance

The Committee met twice during the period under review on May 24, 2022 and March 15, 2023, and all members of the Committee attended both the meetings.

E. Sustainability and Risk Management Committee

I. Constitution of the Committee

The Committee was constituted with effect from August 30, 2022 and comprises of five members, per details in the following table as on March 31, 2023:

Committee Member	Designation in the Committee	Nature of Directorship	Member of Committee since
Ms. Nandini Piramal	Chairperson	Executive Director	August 30, 2022
Mr. Jairaj Purandare	Member	Non-Executive, Independent Director	August 30, 2022
Mr. Neeraj Bharadwaj	Member	Non-Executive Director	August 30, 2022
Mr. Sridhar Gorthi	Member	Non-Executive, Independent Director	August 30, 2022
Ms. Vibha Paul Rishi	Member	Non-Executive, Independent Director	October 14, 2022

The Committee is constituted as per the provisions of Regulation 21 of SEBI Listing Regulations.

II. Terms of Reference

The broad terms of reference of the Sustainability and Risk Management Committee, *inter alia,* includes the following:

1. To provide guidance to the Company on Environmental, Social and Governance ('ESG') vision and strategy including sustainability - related matters;
2. To oversee ESG performance of the Company and track progress;
3. To provide guidance on matters of public responsibility including, community quality assurance and corporate reputation;
4. To recommend guidelines on corporate governance and ethics from time to time;
5. To review key corporate governance processes not specifically assigned to any other committee of the Board;
6. To monitor and track business risks and opportunities arising from ESG aspects;
7. To provide guidance to the Company on stakeholder engagement on ESG matters;
8. To review the Company's performance on external ESG Ratings and Indices and guide the Company in improving such ratings;
9. To formulate a detailed risk management policy which shall include:
   - A framework for identification of internal and external risks, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk;
   - Measures for risk mitigation including systems and processes for internal control of identified risks;
   - Business continuity plan;

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10. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate business related risks;
11. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
12. To periodically review the risk management policy, including by considering the changing industry dynamics and evolving complexity;
13. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
14. To review appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
15. To evaluate risks related to cyber security and ensure appropriate procedures to mitigate these risks in a timely manner;
16. To coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice);
17. To undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time.

III. Meetings held and Attendance

The Committee met twice during the period under review on November 08, 2022 and March 15, 2023 and all members of the Committee attended both the meetings.

4. REMUNERATION OF DIRECTORS

A. Remuneration to Executive Directors:

Remuneration payable to the Executive Directors is recommended by the NRC, approved by the Board, and is subject to the overall limits approved by the shareholders.

Details of remuneration paid to Executive Directors for the year ended March 31, 2023 are given below:

(₹ in Crores)

Name of Directors	Total
Ms. Nandini Piramal- Chairperson	5.13
Mr. Peter DeYoung	5.16
Mr. Vivek Valsaraj	2.94

Note: Detailed remuneration forms part of the annual return for FY 2023 available on the website of the Company.

The variable component of remuneration (Performance Linked Incentive) for Executive Directors is determined on the basis of several criteria including their individual performance as measured by achievement of their respective Key Result Areas, strategic initiatives taken and being implemented, their respective roles in the organization, fulfilment of their responsibilities and performance of the Company. This is in accordance with the Company's Remuneration Policy.

B. Sitting fees and commission paid/payable to Non-Executive Directors

Details of sitting fees and commission paid/payable to the Non-Executive Directors for FY 2023 are given below. These are within the limits prescribed under the Act:

(₹)

Name of Non-Executive Directors	Sitting Fees	Commission	Total
Mr. S. Ramadorai	9,00,000	30,00,000	39,00,000
Mr. Jairaj Purandare	7,50,000	30,00,000	37,50,000
Mr. Sridhar Gorthi	7,50,000	30,00,000	37,50,000
Mr. Peter Stevenson	3,50,000	30,00,000	33,50,000
Ms. Nathalie Leitch@	3,50,000	25,64,384	29,14,384
Ms. Vibha Paul Rishi^	4,50,000	17,58,904	22,08,904

@Appointed as Non-Executive Director with effect from May 24, 2022

^ Appointed as Independent Director with effect from August 30, 2022

Notes for Directors' Remuneration:

a. Mr. Neeraj Bharadwaj, Non-Executive Director, does not receive sitting fees or any other remuneration.

b. The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company. The tenure of office of the Whole-Time Directors is three years from their respective dates of appointment. The Agreements also contain clauses relating to termination of appointment in different circumstances, including for breach of terms, the notice period for which is three months. While there is no specific provision for payment of severance fees for any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.

c. No amount by way of loan or advance has been given by the Company to any of its Directors.

d. During the year ended March 31, 2023 no stock options were granted to Executive Directors.

e. There was no pecuniary relationship or transactions with Non – Executive Directors vis-à-vis the Company other than sitting fees and commission, if any, that is paid to the Non – Executive & Independent Directors.

f. During the financial year ended March 31, 2023, Non-Executive & Independent Directors were paid sitting fees of ₹ 50,000 for attending each meeting of the Board, and other Committees.

5. GENERAL BODY MEETINGS

A. Details of the AGMs held during the preceding 3 years and Special Resolutions passed thereat are given below:

AGM*	Date	Time	Venue	Details of Special Resolutions passed
01st AGM	June 21, 2021	11:00 a.m.	Gr. Flr., Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400070	(i) Appointment of Mr. Peter DeYoung as Whole-Time Director of the Company; (ii) Appointment of Ms. Nandini Piramal as Whole-Time Director of the Company; (iii) Issue of Non-Convertible Debentures on Private Placement basis; (iv) Amendment to the articles of association of the Company.
02nd AGM	July 28, 2022	4:00 p.m.	Gr. Flr., Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400070	(i) Appointment of Mr. Vivek Valsaraj as Whole-Time Director of the Company; (ii) Issue of Non-Convertible Debentures on Private Placement Basis; (iii) Payment of Commission to Non-Executive Directors of the Company in line with Schedule V of the Act; (iv) Adoption of the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022; (v) Adoption of the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 and extending the benefits to the employees of the holding and subsidiary companies and group companies of the Company; (vi) Approval for implementing the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 through trust route; (vii) Acquisition of shares of the Company by the trust for the purposes of Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022; (viii) Granting loan and/ or providing guarantee or security for purchase of the shares of the Company by the Trust / Trustees of the Trust for the benefit of the employees under the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022; (ix) Continuation of directorship of Mr. S. Ramadorai as an Independent Director of the Company for the remaining term.

*The Company was incorporated on March 04, 2020.

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B. Details of the Extra Ordinary General Meetings held during the year

Date	Time	Venue	Details of Special Resolutions passed
September 02, 2022	3:00 p.m.	Gr. Flr., Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai-400070	(i) Appointment of Ms. Vibha Paul Rishi as an Independent Director of the Company; (ii) Amendment to Articles of Association of the Company.

C. Postal Ballot

The Company had vide its Postal Ballot Notice dated February 8, 2023, sought the approval of the shareholders on the following matters by way of Special Resolutions, which was sent to the Members on February 17, 2023. The remote e-voting commenced on Sunday, February 19, 2023 at 9:00 a.m. (IST) and ended on Monday, March 20, 2023 at 5:00 p.m. (IST). Voting rights of the Members were reckoned in proportion to the shares held in the paid-up equity share capital of the Company as on the close of business hours of Friday, February 10, 2023. Mr. Ainesh Jethwa (Membership No. ACS 27990) of Ainesh Jethwa and Associates, Practicing Company Secretaries, and failing him Mr. Bhaskar Upadhyay (Membership No. FCS 8663) of N. L. Bhatia & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner. The resolutions were passed with requisite majority on Monday, March 20, 2023 (being the last date of remote e-voting). The results were declared on Wednesday, March 22, 2023 and communicated to the stock exchanges and were made available on the website at the link https://www.piramal.com/investor/piramal-pharma-limited/shareholder-information/announcements/ and on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com. The description of resolutions and details of e-voting are as under:

Particulars of Special Resolution(s)	Number and % of votes cast in favour	Number and % of votes cast against
Ratification of the Piramal Pharma Limited-Employee Stock Option and Incentive Plan 2022 ('PPL ESOP Plan 2022')	70,29,82,447 (83.91%)	13,47,51,242 (16.09%)
Ratification of the extension of the benefits under the PPL ESOP Plan 2022 to the employees of subsidiary companies and group companies of the Company.	70,29,74,569 (83.91%)	13,47,54,828 (16.09%)
Ratification for implementation of the PPL ESOP Plan 2022 through trust route.	70,28,90,913 (83.90%)	13,48,38,765 (16.10%)
Ratification for acquisition of shares of the Company by the Trust for the purposes of PPL ESOP Plan 2022.	70,28,90,031 (83.90%)	13,48,38,027 (16.10%)
Ratification of the approval on granting loan and/ or providing guarantee or security for purchase of the shares of the Company by the Trust / Trustees of the Trust for the benefit of the employees under the PPL ESOP Plan 2022.	70,27,97,472 (83.89%)	13,49,30,686 (16.11%)

Procedure adopted for Postal Ballot

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs.

At present, there is no proposal to pass resolutions through postal ballot.

6. DISCLOSURES

A. Related Party Transactions

a) All transactions entered into with related parties in terms of applicable provisions under the Act and Regulation 23 of the SEBI Listing Regulations during FY 2023 were undertaken in compliance with the aforesaid regulatory provisions;

b) There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company;

c) Suitable disclosures as required by the Indian Accounting Standards (IND AS) - 24 have been made in Note No. 38 of the standalone financial statements, which forms part of this Annual Report;

d) The policy on Related Party Transactions is available on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/

e) The register of contracts/statement of related party transactions, is placed before the Board/Audit Committee regularly.

B. Details of non-compliance, penalties, strictures imposed by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last 3 years

The equity shares of the Company were listed on the Stock Exchanges on October 19, 2022. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to capital markets.

C. Details of non-compliance with the requirements of the Companies Act, 2013

There was no default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

D. Listing Fees

Listing fees for FY 2024 have been paid within the due dates to the Stock Exchanges on which the securities of the Company are listed.

E. Vigil Mechanism / Whistle Blower Policy for Directors and Employees

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, that provides a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/Whistle Blower Policy are available on the website of the Company and can be accessed at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/. No director/ employee has been denied access to the Audit Committee.

F. Compliance with mandatory/non mandatory requirements

a. The Company has complied with all the applicable mandatory requirements of the SEBI Listing Regulations.

b. During the year under review, there was no audit qualification in the Company's financial statements. The Company adopts the best practices to ensure regime of financial statements with unmodified audit opinion.

G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

H. Details of Statutory Auditors

a. Fees paid to Statutory Auditors of the Company:

Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/ W-100018) were appointed on October 05, 2020, as Statutory Auditors for a term of 5 years to hold office until the conclusion of the 5^{th} AGM of the Company to be held in calendar year 2025. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part, for FY 2023, are as follows:

(₹ in Crores)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	1.00
Services for tax matters	0.00
Other matters	0.63
Re-imbursement of out-of-pocket expenses	0.00
Total	**1.63**

b. Details of material subsidiaries:

During the period under review, the Company had two material subsidiaries as detailed below:

Name of the material subsidiary	Date of incorporation	Name of the auditor	Date of appointment
Piramal Healthcare UK Limited	February 21, 2005	KNAV UK Limited	June 8, 2021
Piramal Critical Care Inc.	December 7, 1994	KNAV P.A.	June 3, 2021

I. Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints filed and disposed off during the year and pending as on March 31, 2023 are given in the Board's Report as well as in the Business Responsibility and Sustainability Report.

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7. MEANS OF COMMUNICATION

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions at the AGM. Some of the modes of communication are mentioned below:

A. Financial Results:

The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchanges and are generally published in Business Standard (all editions) (English) and Mumbai Lakshadweep (Marathi), within forty-eight hours of the conclusion of the Board Meeting. They are also available on the website of the Company.

B. Press Releases and Presentations:

Official press releases and presentations made to the media, institutional investors/analysts, etc. are generally intimated to the Stock Exchanges and are simultaneously hosted on the website of the Company.

C. Website:

The Company's website contains a separate dedicated section for Investors, the link to which is https://www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/ where all information and relevant policies to be provided under applicable regulatory requirements, are available in a user friendly form.

D. Annual Report:

The Annual Report containing inter-alia the Audited Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report, Report on Corporate Governance and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.

E. Designated exclusive e-mail ID:

The Company has designated the e-mail ID shareholders.ppl@piramal.com exclusively for investor servicing.

F. SEBI Complaints Redress System (SCORES):

A centralised web-based complaints redressal system, which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the Company, and facilitates online filing of the complaint by the investors and subsequently viewing of actions taken on the complaint and its current status.

G. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre)

NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliances, inter alia, shareholding pattern, corporate governance report, results, press releases, etc. Various compliances as required / prescribed under the SEBI Listing Regulations are filed through these systems.

8. GENERAL INFORMATION FOR SHAREHOLDERS

A. Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number allotted to the Company by the Ministry of Corporate Affairs is U24297MH2020PLC338592.Our Company vide its letter dated November 03, 2022 has requested the RoC to update the corporate identity number to L24297MH2020PLC338592 pursuant to listing on the Stock Exchanges.

B. Annual General Meeting

Monday, July 31, 2023 at 03:00 p.m. through Video Conferencing / Other Audio Visual Means.

C. Financial Calendar

The financial year of the Company starts on April 1 and ends on March 31 of the next year.

D. Listing on Stock Exchanges

a. Equity Shares

Name & Address of the Exchanges	Scrip Code
BSE Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	543635
NSE Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051	PPLPHARMA

ISIN / Code
ISIN : INE0DK501011
Bloomberg code : PIRPHARM: IN

b. Debt Securities

Non-Convertible Debentures issued by the Company from time to time are listed on BSE.

E. Debenture Trustees

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001.
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776

F. Stock Market Data

High, Low and Trading Volume of the Company's equity shares during each month of the last FY 2023 at BSE and NSE are given below:

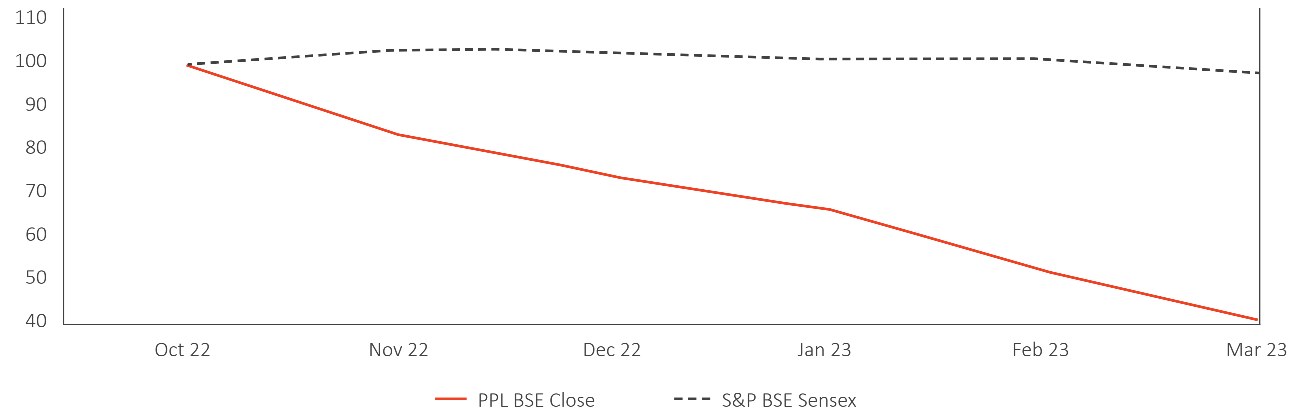
Month	BSE			NSE		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
Oct, 2022	201.80	152.25	2,663,064	200.00	151.00	46,003,399
Nov, 2022	178.95	125.40	23,970,340	178.95	125.20	165,616,656
Dec, 2022	145.65	113.10	5,770,987	145.80	113.05	55,764,960
Jan, 2023	126.70	101.35	4,563,272	126.60	101.40	52,466,321
Feb, 2023	105.60	78.35	7,151,564	105.80	78.30	78,112,828
Mar, 2023	81.25	63.13	9,014,494	81.30	63.10	94,720,121

Source: BSE and NSE Websites

G. Stock Performance vs S&P BSE Sensex and NIFTY 50

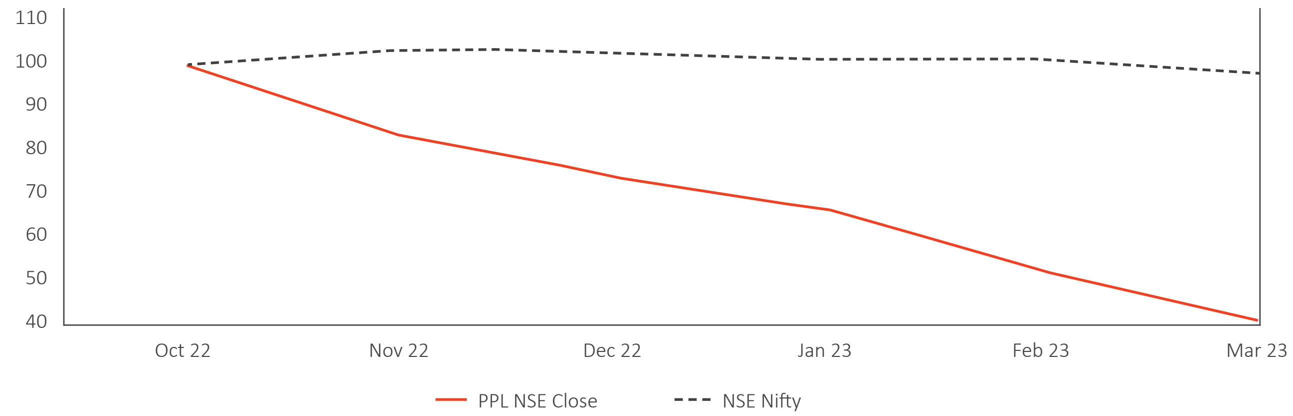
Performance of the Company's equity shares on BSE and NSE relative to the BSE Sensitive Index (S&P BSE Sensex) and CNX Nifty (NIFTY 50) respectively are graphically represented in the charts below:

Average monthly closing price of the Company's shares on BSE as compared to S&P BSE Sensex



Note: The Company's share price and Sensex values in October 2022 have been baselined to 100

Average monthly closing price of the Company's shares on NSE as compared to NIFTY 50



Note: The Company's share price and NSE Nifty 50 index values in October, 2022 have been baselined to 100

Liquidity

Since listing of the Company on the Stock Exchanges, Equity Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence, ensures good liquidity for the investors.

Report on Corporate Governance

H. Contact Details for Investor Correspondence

Share Transfer Agents

Link Intime India Pvt. Ltd.
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.
Tel: +91-22-49186000/4918 6270
Fax: +91-22-4918 6060
E-mail ID: rnt.helpdesk@linkintime.co.in

Contact details of the Company:

Gr. Flr. Piramal Ananta, Agastya Corporate Park,
Kamani Junction, LBS Marg, Kurla West, Mumbai – 400 070.
Tel. No.: +91-22-3802 3122
E-mail ID: shareholders.ppl@piramal.com

I. Share Transfer System

The entire paid-up share capital of the Company is held in dematerialised form as on March 31, 2023. As per applicable SEBI circulars, transfer of shares in physical form is not permitted.

Accordingly, the transfer of shares are processed directly by NSDL and Central Depository Services (India) Ltd. ('CDSL') through respective Depository Participants.

The Company obtains a certificate from a Practicing Company Secretary as required under Regulation 40 of the SEBI Listing Regulations and the same is filed with the Stock Exchanges, as well as placed before the Board of Directors from time to time.

J. Distribution of Shareholding by size as on March 31, 2023

No. of Shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 to 100	1,30,709	52.34	51,54,076	0.43
101 to 200	32,968	13.20	52,66,388	0.44
201 to 500	36,520	14.62	1,27,58,961	1.07
501 to 1000	20,283	8.12	1,56,47,669	1.31
1001 to 5000	23,879	9.56	5,37,05,340	4.50
5001 to 10000	3,012	1.20	2,16,02,776	1.81
10001 to 20000	1,267	0.51	1,79,02,278	1.50
20001 to 30000	376	0.15	92,45,250	0.77
30001 to 40000	172	0.07	60,90,117	0.51
40001 to 50000	85	0.03	39,09,396	0.33
50001 to 100000	206	0.08	1,47,00,386	1.23
Above 100000	253	0.10	1,02,73,35,863	86.09
Total	**2,49,730**	**100**	**1,19,33,18,500**	**100**

K. Dematerialisation of shares

Since the date of listing i.e. October 19, 2022 upto March 31, 2023, 100% of the total number of shares i.e 119,33,18,500 equity shares are held in dematerialized form only.

The Company's shares are compulsorily traded in dematerialized form and are admitted in both the Depositories in India i.e. NSDL and CDSL.

L. Statement showing shareholding pattern as on March 31, 2023

Category of Shareholder	No. of shareholders	Total no. of shares	% to total no. of shares
Shareholding of Promoter and Promoter Group	19	41,51,22,772	34.79
Total Promoter Holding	**19**	**41,51,22,772**	**34.79**
Non Promoter- Non Public			
Employee Benefit Trusts	2	46,68,804	0.39
Public shareholding			
Institutions			
Mutual Funds / UTI	14	62,68,244	0.53
Financial Institutions / Banks	6	14,780	0.00
Central Government/State Government(s)	1	852	0.00
Insurance Companies	9	4,98,74,672	4.18
Alternate Investment Funds	6	32,58,942	0.27
NBFCs registered with RBI	8	44,304	0.00
Foreign Portfolio Investors (Corporate) / FIIs I	156	22,69,34,212	19.02
Foreign Banks	1	1332	0.00
Non-Institutions			
Bodies Corporate	1,433	3,00,41,161	2.53
Individuals			
Indian Public Shareholder	2,38,350	16,62,75,161	13.94
Others			
(i)Non Resident Indians	3,794	90,98,619	0.76
(ii)Foreign Direct Investment	1	23,86,63,700	20.00
(iii) Foreign Portfolio Investor (Individual) II	12	30,68,015	0.26
(iv) Overseas Bodies Corporate	2	1,73,15,548	1.45
(v) Clearing Member	91	4,56,793	0.02
(vi)Trusts	30	2,91,988	0.02
(vii) Foreign Nationals	4	3380	0.00
(viii) Hindu Undivided Family	5,634	71,18,404	0.60
(ix) Unclaimed account	1	38,224	0.00
(x) IEPF	1	32,28,564	0.27
(xii) Body Corp-Ltd Liability Partnership	150	1,13,66,818	0.95
(xiii)Directors and their relatives (excluding Independent Directors and nominee Directors)	1	99,312	0.01
(xiv)Independent Director	1	24,008	0.00
(xvi) foreign Portfolio Investor category III	3	39,891	0.00
Total Public Shareholding	**2,49,709**	**77,35,26,924**	**64.82**
Total	**2,49,730**	**1,19,33,18,500**	**100.00**

Report on Corporate Governance

M. Outstanding GDRs / ADRs / Warrants or any Convertible instruments conversion date and likely impact on Equity

The Company has not issued any GDRs/ADRs/Warrants/ or any convertible instruments during the year under review and the Company does not have any outstanding GDRs/ ADRs/Warrants/ or any convertible instruments.

N. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

The Company is also exposed to interest rate risks on foreign currency loans, which are based on floating rate pegged to LIBOR and accordingly the Forex Risk Management Committee of the Company mandates the centralised treasury function to hedge the same basis its view on interest rate movement.

The Company has adequate risk assessment and minimization system in place for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

O. Credit Ratings for Debt Instruments

The Credit Ratings assigned to the debt instruments of the Company during FY 2023 are given below:

Instruments	Credit Rating CARE
Non-Convertible Debentures	CARE AA-; Stable
Long Term Bank Facilities	CARE AA-; Stable
Long Term Bank /Short Term Bank Facilities	CARE AA-; Stable /CARE A1+
Commercial Paper	CARE A1+

Details relating to these Credit Ratings are also available on the website of the Company.

P. Plant Locations of the Company ('PPL') and its Subsidiaries

India:

Piramal Pharma Limited

- Ennore Express Highway, Ernavur Village, Ennore, Chennai 600 057, Tamil Nadu.
- Plot Nos.18 and 19 - PHARMEZ, Village Matoda, Sarkhej Bawla, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat.
- Plot No C-43 & C-46, TTC Industrial Area, MIDC, Off Thane Belapur Road Turbhe, Navi Mumbai - 400 703
- 159 - A, Wagle Estate, 25th Road, MIDC, Thane - 400 604.
- D. No. 7-70, Sy. No. 71 & 77 to 82, Digwal - Village, Kohir -Mandal, Sangareddy -District, Telangana -State – 502321
- Plot no. R-856, TTC Industrial Area, Rabale MIDC, Off Thane Belapur Road, PO Ghansoli, Navi Mumbai 400 701 India
- Plot No. 67-70, Sector II, Pithampur, District Dhar, 454775, Madhya Pradesh
- Plot No. K-1, Additional M.I.D.C, Mahad, District Raigad, 402 302, Maharashtra.
- Plot No. D-2/11/A1 GIDC, Phase II, Dahej, Tal Vagra, District Bharuch, Gujarat – 392130

Overseas:

Piramal Healthcare UK Limited

- Whalton Road, Morpeth, Northumberland, NE61 3YA, UK
- Earls Road, Grangemouth, Stirlingshire, FK 38XG, Scotland, UK

Piramal Healthcare (Canada) Limited

110, Industrial Parkway North, Aurora, Ontario, L4G 3H4, Canada.

Piramal Critical Care Inc.

3950 Schelden Circle, Brodhead Road, Bethlehem, PA 18017, USA.

Piramal Pharma Solutions Inc.

1575 McGrathiana Parkway, Lexington, Kentucky, 40511, USA.

Ash Stevens LLC

18655 Krause Street, Riverview, MI 48193, USA.

PEL Healthcare LLC

650 Cathill Rd, Sellersville, PA 18960, USA.

Q. Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts:

Particulars	No. of shareholders		No. of equity shares	
	Escrow Demat Account	Unclaimed Suspense Demat Account	Escrow Demat Account	Unclaimed Suspense Demat Account
Aggregate number of shareholders and the outstanding shares in the Demat Suspense account/ Unclaimed Suspense Account as on October 19, 2022 (date of listing of Company shares)	18,556	563	89,83,700	38,224
Less: Shareholders who approached the Company for transfer of shares from suspense account	150	-	1,16,680	-
Less: Shareholders to whom shares were transferred from Demat Escrow account during the year	65	-	43,524	-
Aggregate number of shareholders and the outstanding shares in the Demat Suspense account/ Unclaimed Suspense Account lying as on March 31, 2023	18,556	563	89,40,176	38,224

The voting rights on such unclaimed/outstanding shares in the suspense account as on March 31, 2023 have been frozen and will remain frozen till the rightful owner claims the shares.

R. Transfer of Unpaid / Unclaimed Dividend and Shares to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as 'IEPF Rules'), the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ('the IEPF'). However, the Company was incorporated on March 04, 2020 and no dividend remains unpaid since the date of incorporation.

9. SUBSIDIARY COMPANIES

The subsidiaries of the Company function independently with adequately empowered Boards of Directors.

Policy for Material Subsidiaries

A Policy for determining Material Subsidiaries has been formulated in compliance with the requirements of Regulation 16 of the SEBI Listing Regulations. This Policy has been uploaded on the website of the Company and can be accessed at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/

10. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for FY 2023. Requisite declaration signed by Ms. Nandini Piramal to this effect is given below:

"I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2022-23."

Nandini Piramal
Chairperson
Mumbai, May 24, 2023

The aforementioned Code has been uploaded on the Company's website and can be accessed at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/

11. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct to regulate, monitor and report trading by designated persons in securities of the Company and Code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

12. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from N. L. Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations, is attached to the Board's Report forming part of the Annual Report.

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 3rd Annual Report on the business and operations of Piramal Pharma Limited ('the Company' or 'PPL') and the Audited Financial Statements for the financial year ended March 31, 2023.

(₹ in Crores)

Particulars	Consolidated		Standalone	
	FY 2023	FY 2022	FY 2023	FY 2022 (Restated)
Net Sales	7,081.55	6,559.10	3,443.22	3,340.42
Non-operating other income	225.11	275.80	341.07	224.79
Total income	**7,306.66**	**6,834.90**	**3,784.29**	**3,565.21**
Other Expenses	6,453.31	5,609.44	3,345.69	2,865.14
OPBIDTA	**853.35**	**1,225.46**	**438.60**	**700.07**
Interest Expenses	344.18	198.25	115.87	57.29
Depreciation	676.69	586.18	192.08	165.37
Profit before tax & exceptional items	**(167.52)**	**441.03**	**130.65**	**477.41**
Exceptional items (expenses)/ Income	(6.96)	(15.08)	(6.96)	(15.08)
Income tax	66.31	109.03	54.19	94.79
Net Profit/ (Loss) after tax and before Share of Net profit of Associates	**(240.79)**	**316.94**	**69.50**	**367.54**
Share of Net profit of Associates	54.33	59.03	-	-
Net Profit/ (Loss) after tax and after Share of Net profit of Associates	**(186.46)**	**375.96**	**69.50**	**367.54**
Profit from discontinued operations	-	-	-	-
Profit after tax from continuing and discontinued operations	**(186.46)**	**375.96**	**69.50**	**367.54**
Net profit/(loss) margin % (Profit from continuing operations as a % of revenue from continuing operations)	(2.63%)	5.73%	2.02%	11.00%
Basic EPS from continuing operations (₹/share)	(1.57)	3.19	0.58	3.12
Diluted EPS (₹/share) from continuing operations	(1.57)	3.19	0.58	3.12

Note: In terms of sanction of the Composite Scheme of Arrangement by Hon'ble National Company Law Tribunal ('NCLT'), the prior period comparative figures for standalone financial i.e. for FY 2022 are restated in this Report, to reflect as per the requirements of Appendix A to Ind AS 103.

DIVIDEND

In view of the business requirements of the Company, the Board of Directors has not recommended dividend for the financial year ended March 31, 2023.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company has adopted a Dividend Distribution Policy which is available on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/

SHARE CAPITAL

The share capital of the Company underwent change pursuant to the Scheme, (as defined below in this Report). Accordingly, during the period under review:

(a) On August 18, 2022, increased the authorised share capital of the Company from ₹ 1500,00,00,000 to ₹ 3000,00,00,000 divided as follows:

(i) ₹ 2629,00,00,000 divided into 262,90,00,000 equity shares of ₹ 10/- each;

(ii) ₹ 350,00,00,000 divided into 35,00,00,000 preference shares of ₹ 10/- each; and

(iii) ₹ 21,00,00,000 divided into 2,10,00,000 unclassified shares of ₹ 10/- each.

The authorised share capital was increased, *inter alia* pursuant to the inclusion of the authorised share capital of Convergence Chemicals Private Limited and Hemmo Pharmaceuticals Private Limited into that of the Company.

(b) On September 5, 2022, issued and allotted 95,46,54,800 equity shares having face value of ₹10 each to the members of Piramal Enterprises Limited who held fully paid up equity shares as on the Demerger Record Date i.e. September 1, 2022, in line with the share entitlement ratio as described in the Scheme.

(c) On September 5, 2022, 94,72,49,806 equity shares held by Piramal Enterprises Limited, and its nominees in the Company stood cancelled.

As on March 31, 2023, the issued, subscribed and paid up share capital of the Company stood at ₹ 1193,31,85,000 consisting of 119,33,18,500 equity shares of face value of ₹ 10 each fully paid up.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act') a statement containing salient features of the financial statements of subsidiarie and associate companies in Form AOC-1 is attached to the financial statements.

The separate financial statements of the subsidiaries are available on the website of the Company and can be accessed at https://www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2023

Acquisition of stake in Yapan Bio Private Limited ('Yapan')

On April 4, 2022, the Company increased its stake in Yapan by an additional 5.55% for cash consideration of ₹ 20.35 Crores. Accordingly the aggregate equity stake held by the Company in Yapan as on March 31, 2023 was 33.33%.

Composite Scheme of Arrangement

a) Demerger:

A Composite Scheme of Arrangement ('Scheme') was entered into between our Company, Piramal Enterprises Limited ('PEL'), Convergence Chemicals Private Limited ('CPPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Act. The Scheme was approved by our Board pursuant to its resolution dated October 7, 2021. The Hon'ble NCLT, vide its order dated August 12, 2022, had sanctioned the Scheme and the appointed date of the Scheme was April 1, 2022.

The Scheme inter alia provided for (i) transfer by way of demerger of all businesses, undertakings, activities, operations and properties of PEL, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of the pharmaceutical business of PEL; (ii) amalgamation of CCPL and HPPL, being wholly-owned subsidiaries of our Company into our Company; and (iii) amalgamation of PFPL, being a wholly owned subsidiary of PEL into PEL.

In consideration for the demerger, the equity shareholders of PEL as on the demerger record date (as defined in the Scheme) received 4 (four) equity shares of face and paid-up value of ₹ 10 each of the Company for every 1 (one) equity share of face and paid-up value of ₹ 2 each held in PEL.

b) Listing of Piramal Pharma Limited on BSE Limited and National Stock Exchange of India Limited:

PPL was listed on the Stock Exchanges, BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on October 19, 2022. The milestone was marked with the ringing of the opening bell at BSE to announce the listing by Mr. Ajay Piramal, Chairman of Piramal Group, Ms. Nandini Piramal, Chairperson of PPL, and Mr. Peter DeYoung, CEO, Piramal Global Pharma, along with officials from BSE.

Re-classification of Promoter Group entities of the Company

BSE and NSE vide their respective letters dated March 23, 2023, had granted their approval under Regulation 31 of the SEBI Listing Regulations for re-classification of Kosamba Glass Deco Private Limited, Ansa Deco Glass Private Limited and The Address Makers Developers Private Limited from 'Promoter Group' category to 'Public' category of the Company.

Proposed issue of equity shares on a rights basis

The Board of Directors of the Company at its meeting held on February 8, 2023, approved the issuance of fully paid-up equity shares of the Company by way of a rights issue to the existing equity shareholders of the Company upto an amount not exceeding ₹ 1,050 Crores. Thereafter, on March 28, 2023, the Company submitted the draft letter of offer in connection with the proposed rights issue, framed in line with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the Securities and Exchange Board of India ('SEBI'), BSE and NSE, for requisite approvals.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There are no significant events after the balance sheet date.

OPERATIONS REVIEW:

Standalone

Total income from continuing operations for FY 2023 increased by 6.14% to ₹ 3,784.29 Crores as compared to ₹ 3,565.21 Crores in FY 2022. Earnings before interest, taxes, depreciation and

Board's Report

amortisation ('EBITDA') for FY 2023 from continuing operations decreased by 37.35% to ₹ 438.60 Crores as compared to ₹ 700.07 Crores in FY 2022. Net Profit for the year from continuing and discontinuing operations was ₹ 69.50 Crores as compared to ₹ 367.54 Crores in FY 2022. Basic and diluted earnings per share, from continuing and discontinuing operations, was ₹ 0.58 per share and ₹ 0.58 per share, respectively, during FY 2023 as compared to ₹ 3.12 per share each, during FY 2022.

Consolidated

The Company's consolidated revenue increased by 7.97% to ₹ 7,081.55 Crores in FY 2023 as compared to ₹ 6,559.10 Crores in FY 2022. EBITDA for FY 2023 from continuing operations decreased by 30.36% to ₹ 853.35 Crores as compared to ₹ 1,225.46 Crores in FY 2022. Net Profit/ (Loss) for the year from continuing and discontinuing operations was ₹ (186.46) Crores as compared to ₹ 375.96 Crores in FY 2022. Basic and diluted earnings per share, from continuing and discontinuing operations, was ₹ (1.57) per share and ₹ (1.57) per share, respectively, during FY 2023, as compared to ₹ 3.19 per share each, during FY 2022.

SUBSIDIARY COMPANIES

Piramal Healthcare Inc. [Consolidated]

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

Net sales of Piramal Healthcare Inc. [consolidated] for FY 2023 were at ₹ 1707.58 Crores. Profit before tax for the year was at ₹ 321.26 Crores. Piramal Healthcare Inc. [consolidated] reported a net profit of ₹ 245.64 Crores for the year.

PEL Pharma Inc. [Consolidated]

PEL Pharma Inc. [consolidated] includes financial statements of its wholly owned subsidiaries Piramal Pharma Solutions Inc., Ash Stevens LLC and PEL Healthcare LLC.

Net sales of PEL Pharma Inc. [consolidated] for FY 2023 were at ₹ 897.20 Crores. Loss before tax for the year was at ₹ 208.20 Crores. PEL Pharma Inc. [consolidated] reported a net loss of ₹ 165.16 Crores for the year.

Piramal Healthcare UK Limited

Net sales of Piramal Healthcare UK Limited for FY 2023 were at ₹ 772.23 Crores. Loss before tax for the year was at ₹ 43.52 Crores. Piramal Healthcare UK Limited reported a net loss of ₹ 43.45 Crores for the year.

Piramal Healthcare (Canada) Limited

Net sales of Piramal Healthcare (Canada) Limited for FY 2023 were at ₹ 369.53 Crores. Profit before tax for the year was at ₹ 47.92 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 43.58 Crores for the year.

Piramal Critical Care Limited

Net sales of Piramal Critical Care Limited for FY 2023 were at ₹ 258.71 Crores. Loss before tax for the year was at ₹ 131.57 Crores. Piramal Critical Care Limited reported a net loss of ₹ 127.88 Crores for the year.

Piramal Critical Care Italia S.P.A.

Net sales of Piramal Critical Care Italia S.P.A. for FY 2023 were at ₹ 104.41 Crores. Loss before tax for the year was at ₹ 6.59 Crores. Piramal Critical Care Italia S.P.A. reported a net loss of ₹ 6.59 Crores for the year.

Piramal Critical Care South Africa (Pty) Ltd.

Net sales of Piramal Critical Care South Africa (Pty) Ltd. for FY 2023 were at ₹ 39.76 Crores. Profit before tax for the year was at ₹ 2.60 Crores. Piramal Critical Care South Africa (Pty) Ltd. reported a net profit of ₹ 2.83 Crores for the year.

Piramal Critical Care Pty Ltd

Net sales of Piramal Critical Care Pty Ltd (incorporated in Australia) for FY 2023 were at ₹ 2.22 Crores. Loss before tax for the year was at ₹ 0.17 Crores. Piramal Critical Care Pty Ltd reported a net loss of ₹ 0.20 Crore for the year.

Piramal Critical Care Deutschland GmbH

Net sales of Piramal Critical Care Deutschland GmbH for FY 2023 were at ₹ 46.27 Crores. Loss before tax for the year was at ₹ 13.67 Crores. Piramal Critical Care Deutschland GmbH reported a net loss of ₹ 13.67 Crores for the year.

Piramal Critical Care B.V.

Net sales of Piramal Critical Care B.V. for FY 2023 were at ₹ 181.46 Crores. Loss before tax for the year was at ₹ 25.64 Crores. Piramal Critical Care B.V. reported a net loss of ₹ 25.64 Crores for the year.

Piramal Critical Care Single Member P.C.

Piramal Critical Care Single Member P.C. was incorporated in Greece on February 28, 2023. The subsidiary did not have any operations during the year and hence, did not report profit/loss during FY 2023.

Piramal Pharma Japan GK

There was no income from operations for FY 2023. Loss before tax for the year was at ₹ 0.12 Crore. Piramal Pharma Japan GK reported a net loss of ₹ 0.12 Crore for the year.

Piramal Pharma Solutions (Dutch) B.V.

Net sales of Piramal Pharma Solutions (Dutch) B.V. for FY 2023 were at ₹ 1.87 Crores. Profit before tax for the year was at ₹ 0.05 Crore. Piramal Pharma Solutions (Dutch) B.V. reported a net profit of ₹ 0.05 Crore for the year.

Piramal Healthcare Pension Trustees Limited

Net sales and Profit for the year of Piramal Healthcare Pension Trustees Limited for FY 2023 were at Nil.

Piramal Dutch Holdings N.V.

On a standalone basis, there was no income during FY 2023 in Piramal Dutch Holdings N.V. Loss before tax and net loss for the year was ₹ 75.05 Crores.

Piramal Dutch Holdings N.V. is holding company of the following entities. The financial performance of each of its subsidiaries is separately provided in this Report:

a. Piramal Healthcare Inc. [Consolidated with its subsidiaries i.e. Piramal Critical Care Inc. and Piramal Pharma Inc.]
b. PEL Pharma Inc. [Consolidated with its subsidiaries i.e. Piramal Pharma Solutions Inc., PEL Healthcare LLC and Ash Stevens LLC]
c. Piramal Healthcare UK Limited
d. Piramal Healthcare (Canada)Limited
e. Piramal Critical Care Limited
f. Piramal Critical Care Italia S.P.A.
g. Piramal Critical Care South Africa (Pty) Ltd.
h. Piramal Critical Care Pty Ltd
i. Piramal Critical Care Deutschland GmbH
j. Piramal Critical Care B.V.
k. Piramal Critical Care Single Member P.C.
l. Piramal Pharma Japan GK
m. Piramal Pharma Solutions (Dutch) B.V.
n. Piramal Healthcare Pension Trustees Limited

Piramal Pharma II Private Limited

Piramal Pharma II Private Limited was incorporated in FY 2023 and did not report any income from operations during the year. Loss before tax for the year was at ₹ 0.39 Crores. Piramal Pharma II Private Limited reported a net loss of ₹ 0.39 Crores for the year.

ASSOCIATE COMPANIES

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

The Company owns 49% equity stake in Allergan India Private Limited. Share of profit of Allergan India Private Limited considered in consolidation for FY 2023 amounted to ₹ 54.13 Crores.

The Company owns 33.33% of equity stake in Yapan. Share of loss of Yapan considered in consolidation for FY 2023 amounted to ₹ 0.20 Crore.

DEPOSITS FROM PUBLIC

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

STATUTORY AUDITORS AND AUDITORS' REPORT

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

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the financial year ended March 31, 2023. The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

CORPORATE SOCIAL RESPONSIBILITY

The annual report on Corporate Social Responsibility ('CSR') containing details of CSR Policy, composition of the CSR Committee, CSR projects undertaken and web-link thereto on the website of the Company, as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in Annexure B to this Report.

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

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

ANNUAL RETURN

The Annual Return for FY 2023 is available on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/financial-reports/annual-reports/

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Members of the Company at the AGM held last year, had approved:

- the appointment of Mr. Vivek Valsaraj (DIN: 06970246), Chief Financial Officer, as an Executive Director of the Company, liable to retire by rotation, to hold office for a term of three years effective from February 9, 2022;

Board's Report

- the appointments of Mr. Sridhar Gorthi (DIN: 00035824) and Mr. Peter Stevenson (DIN: 09544706) as Independent Directors, not liable to retire by rotation with effect from March 30, 2022 for a term of 5 (five) years and Ms. Nathalie Leitch (DIN: 09557042) as Non-Executive Director, liable to retire by rotation, with effect from May 24, 2022;
- Continuation of Directorship of Mr. S Ramadorai (DIN: 00000002), who had attained the age of 75 years, for the remaining period of his existing term of directorship as an Independent Director of the Company.

During the year under review, the Board of Directors of the Company ('Board') had, based on the recommendation of Nomination and Remuneration Committee ('NRC'), approved the appointment of Ms. Vibha Paul Rishi (DIN: 05180796) as an Additional Director and had recommended to the Members, her appointment as an Independent Director, not liable to retire by rotation for a term of 5 (five) years with effect from August 30, 2022. Further the Company received approval of the Members at an Extra-Ordinary General Meeting held on September 2, 2022, for appointment of Ms. Vibha Paul Rishi as an Independent Director on the Board of the Company.

The Board, based on the recommendations of the NRC and subject to approval of Members at the ensuing AGM, have approved the re-appointment of:

- Ms. Nandini Piramal (DIN: 00286092) as Whole-time Director, designated as Chairperson, liable to retire by rotation, with effect from April 1, 2024 for a term of 3 (three) years; and
- Mr. Peter DeYoung (DIN: 07152550) as Whole-time Director, designated as Executive Director, liable to retire by rotation, with effect from October 6, 2023 for a term of 3 (three) years.

The Board recommends the above re-appointments for the consideration of the Members of the Company at the ensuing AGM.

Further in line with the provisions of the Act and the Articles of Association of the Company, Mr. Neeraj Bhardwaj (DIN: 01314963) will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing AGM.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. Also, the Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and SEBI Listing Regulations and are independent of the Management. A matrix demonstrating the skill and expertise of Directors of the Company including Independent Directors is provided in the Report on Corporate Governance forming part of this Annual Report.

BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and the Non-Executive Directors (including Independent Directors) on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance of the Executive Directors is evaluated on the basis of achievement of their Key Result Areas.

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 8 (Eight) Meetings of the Board of Directors were convened and held, details of which are given in the Report on Corporate Governance forming part of this Annual Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/Whistle Blower Policy are posted on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/.

AUDIT COMMITTEE

The Audit Committee comprised of following members as on March 31, 2023:

Name of Members	Category
Mr. Jairaj Purandare – Chairman	Non-Executive, Independent Director
Mr. S. Ramadorai	Non-Executive, Independent Director
Mr. Sridhar Gorthi	Non-Executive, Independent Director

During the year under review, Mr. Vivek Valsaraj ceased to be a member of the Audit Committee with effect from July 6, 2022.

Further details on the Audit Committee are provided in the Report on Corporate Governance forming part of this Annual Report.

NOMINATION AND REMUNERATION POLICIES

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

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

Details of the Nomination Policy and the Remuneration Policy are given in Annexure D to this Report and are also available on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Reference is made to Note nos. 5 and 12 of the standalone financial statements for loans to bodies corporate and to Note no. 38.4 for performance guarantees. Performance Guarantees have been provided by the Company to its subsidiaries.

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

RELATED PARTY TRANSACTIONS

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

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

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has in place a 'Policy on Related Party Transactions' which is available on the website of the Company at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/.

MANAGERIAL REMUNERATION

A) Remuneration to Directors and Key Managerial Personnel ('KMP')

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2023 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2023 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for FY 2023 (₹ in Lakhs)	% increase / decrease in Remuneration in FY 2023	Ratio of remuneration of each Whole – Time Director to median remuneration of employees
1	Ms. Nandini Piramal Chairperson	513.89	40.50	87.54
2	Mr. Peter DeYoung Executive Director	516.20	4.79	87.94
3	Mr. Vivek Valsaraj Executive Director & Chief Financial Officer	294.79	36.57	50.22
4	Mr. S. Ramadorai Independent Director	45.00	N.A.	N.A.
5	Mr. Jairaj Purandare Independent Director	43.50	N.A.	N.A.
6	Mr. Sridhar Gorthi Independent Director	7.50	N.A.	N.A.
7	Mr. Neeraj Bharadwaj Non-Executive Director	-	N.A.	N.A.
8	Mr. Peter Stevenson Independent Director	3.50	N.A.	N.A.
9	Ms. Nathalie Leitch* Non-Executive Director	3.50	N.A.	N.A.
10	Ms. Vibha Paul Rishi** Independent Director	4.50	N.A.	N.A.
11	Ms. Tanya Sanish Company Secretary	32.48	25.30	N.A.

* Appointed as Non – Executive Director of the Company with effect from May 24, 2022.

** Appointed as an Independent Director of the Company with effect from August 30, 2022.

Board's Report

Notes:

1. Non - Executive Directors are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. Remuneration details for Non-Executive Directors in the above table, comprises of sitting fees and commission. Details in the corresponding columns are applicable for Whole-Time Directors and KMPs.

2. Mr. Neeraj Bharadwaj, Non-Executive Director, does not receive any sitting fees or any other remuneration.

3. Remuneration details have been provided with respect to remuneration/ commission paid during FY 2023 and sitting fees for meetings attended during FY 2023.

4. ESOP perks of Mr. Vivek Valsaraj, Executive Director & Chief Financial Officer of the Company, is added in his above mentioned remuneration.

ii. The median remuneration of employees of the Company during FY 2023 was ₹ 5,87,018.

iii. In FY 2022-23, there was 7.2% increase in the median remuneration of employees.

iv. There were 4,644 permanent employees on the rolls of the Company as on March 31, 2023.

v. Average percentage increase made in the salaries of employees other than the managerial personnel during FY 2023 was 7.6 %. As regards, comparison of Managerial Remuneration of FY 2023 over FY 2022, details of the same are given in the above table at Sr. No. (i).

vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, KMP and other Employees.

B) Employee Particulars

Details of employee remuneration as required under the provisions of Section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement and forms part of the Annual Report. Further, this Report is being sent to the Members excluding the said statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon specific request made in writing to the Company by the Members. Any Member interested in obtaining a copy of the statement may request the same by writing to shareholders.ppl@piramal.com.

C) Employee Stock Options

Pursuant to the approval of the Board at its meeting held on May 24, 2022 and the approval of the Members at the 2nd AGM of the Company held on July 28, 2022, the Piramal Pharma Limited Employee Stock Option and Incentive Plan 2022 ('ESOP Plan') was adopted. Pursuant to the listing of the Company on the Stock Exchanges, the ESOP Plan was duly ratified by way of a resolution passed through postal ballot by the Members of the Company (subsequent to listing) on March 20, 2023, in line with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB Regulations').

In terms of the SEBI SBEB Regulations, the requisite details relating to the ESOP Plan are available on the Company's website at https://www.piramal.com/investor/piramal-pharma-limited/shareholder-information/esop-disclosure/

SECRETARIAL AUDIT REPORT

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

CERTIFICATIONS FROM COMPANY SECRETARY IN PRACTICE

A certificate has been received from N L Bhatia & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, Ministry of Corporate Affairs or any such statutory authority. The certificate is attached as Annexure F to this Report.

REPORT ON CORPORATE GOVERNANCE

The Company is fully committed to follow good Corporate Governance. Your Company is compliant with applicable provisions of law relating to Corporate Governance. The report on Corporate Governance, as stipulated under Regulation 34 of the SEBI Listing Regulations forms an integral part of the Annual Report. The requisite certificate from N L Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations is annexed hereto as Annexure G to this Report.

RISK MANAGEMENT FRAMEWORK

The Company has a robust risk management framework to identify, measure, manage and mitigate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business strategy and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operational risks and quantifies potential impact at a Company level. Further, information on the risk management process of the Company is contained in the Management Discussion & Analysis Report which forms part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and systems of compliance which are established and maintained by the Company, audits conducted by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and review by the Management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023.

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

(a) in the preparation of the annual financial statements for the financial year ended March 31, 2023, the applicable accounting standards have been followed with no material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual financial statements on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to the listing of the Company on the Stock Exchanges and since the Company is among the top 1,000 listed companies by market capitalization as on March 31, 2023, a Business Responsibility and Sustainability Report ('BRSR') is required to be reported as part of the Annual Report.

Accordingly, in line with the SEBI Listing Regulations, the BRSR of the Company describing the initiatives taken by the Company from an environmental, social and governance perspective is enclosed with this Report.

COST AUDIT

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act. M/s. G. R. Kulkarni & Associates, Cost Accountants, have been duly appointed as Cost Auditors for conducting cost audit in respect of products manufactured by the Company which are covered under the Companies (Cost Records and Audit) Rules, 2014 for the financial year ending March 31, 2024. They were also the Cost Auditors for the financial year ended March 31, 2023. As required under Section 148 of the Act, necessary resolution has been included in the Notice convening the AGM, seeking ratification by the Members of the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2024.

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

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

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

The policy is gender neutral. During the year under review, no complaints with allegation of sexual harassment were filed with ICC under the provisions of the POSH Act.

OTHERS

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

1. No amounts are proposed to be transferred to the Reserves;
2. No changes are made in the nature of business of the Company;
3. No sweat equity shares and shares with differential rights as to dividend, voting or otherwise were issued;
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
5. None of the Auditors of the Company have reported any fraud as specified under Section 143(12) of the Act;
6. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company;
7. There were no instances of one-time settlement with any Bank or Financial Institutions.

ACKNOWLEDGEMENT

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

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

For and on behalf of the
Board of Directors

Place: Mumbai
Date: May 24, 2023

Chairperson

Annexure A

CHANGES IN COMPANY'S SUBSIDIARIES, JOINT VENTURES AND/OR ASSOCIATE COMPANIES DURING FY 2023:

A. CHANGES IN SUBSIDIARIES

COMPANIES WHICH HAVE BECOME SUBSIDIARIES:

- Piramal Pharma II Private Limited – Incorporated on June 08, 2022.
- Piramal Critical Care Single Member P.C. – Incorporated on February 28, 2023.

COMPANIES WHICH HAVE CEASED TO BE SUBSIDIARIES:

- Convergence Chemicals Private Limited – Amalgamated with the Company w.e.f. August 18, 2022 pursuant to the Scheme.
- Hemmo Pharmaceuticals Private Limited – Amalgamated with the Company w.e.f. August 18, 2022 pursuant to the Scheme.

B. CHANGES IN JOINT VENTURES

No entity has become nor has ceased to be a Joint Venture Company during FY 2023.

C. CHANGES IN ASSOCIATE COMPANY

No entity has become nor has ceased to be an Associate Company during FY 2023.

Annexure B

Annual Report on Corporate Social Responsibility ('CSR') activities for the financial year 2022-23

1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are undertaken as projects or programs or activities, whether new or ongoing and in line with the CSR Policy. During the year ended March 31, 2023, the Company discharged its CSR obligations through the Aspirational Districts programs of Piramal Foundation, a Section 8 company ('CSR entity'), in the education sector.

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

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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Jairaj Purandare, Chairman	Non-Executive, Independent Director	2	2
2	Ms. Nandini Piramal	Executive Director	2	2
3	Mr. Vivek Valsaraj	Executive Director	2	2

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

a. Composition of the CSR committee and CSR policy: https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/board-committees/

b. CSR projects: https://www.piramal.com/foundation/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Impact assessment was not applicable in FY 2022-23 for the CSR projects undertaken by the Company.

5. (a) **Average net profit of the Company as per Section 135(5):** ₹ 379.3 Crores

(b) **Two percent of average net profit of the company as per section 135(5):** ₹ 7.58 Crores

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(d) **Amount required to be set off for the financial year, if any:** Nil

(e) **Total CSR obligation for the financial year (b+c-d):** ₹ 7.58 Crores

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 7.58 Crores

(b) **Amount spent in Administrative overheads:** Nil

(c) **Amount spent on Impact Assessment, if applicable:** Nil

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 7.58 Crores

(e) **CSR amount spent or unspent for the Financial Year:**

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

(f) **Excess amount for set-off, if any:**

Sl. No.	Particular	Amount ₹ In Crores
1.	Two percent of average net profit of the company as per Section 135(5)	7.58
2.	Total amount spent for the Financial Year	7.58
3.	Excess amount spent for the financial year [(ii)-(i)]	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crores)	Balance Amount in unspent CSR Account under section 135 (6) (₹ in Crores)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to a fund specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (₹ in Crores)	Deficiency, if any
					Amount (₹ In Crores)	Date of transfer		
Nil								

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created / acquired:

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the property or assets [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ Crores)	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	30 laptops at 2nd floor, Piramal Ananta, Agastya Corporate Park, Kurla West, Near Kamani Junction, Mumbai	400070	July 31, 2022, February 03, 2023 and February 08, 2023	0.16	CSR00006603	Piramal Foundation	2nd floor, Piramal Ananta, Agastya Corporate Park, Kurla West, Near Kamani Junction, Mumbai-400070.
2.	67 Tablets at 2nd floor, Piramal Ananta, Agastya Corporate Park, Kurla West, Near Kamani Junction, Mumbai	400070	July 31, 2022, February 15, 2023 and August 04, 2023	0.13			
3	76 Vehicles in total at the addresses mentioned herein below						
i.	PSMRI, No.46/183, G Block, Barathithasan Street, MMDA Colony, Arumbakkam, Chennai, Tamil Nadu	600106	February 25, 2023, February 26, 2023 and February 28, 2023.	0.05			
ii.	PSMRI, Ayush Bhawan, St. Xavier School Road, Doranda, Ranchi, Jharkhand	834002	December 29, 2022, December 30, 2022, December 31, 2022, January 05, 2023, January 09, 2023, January 17, 2023, February, 26, 2023 and February 27, 2023.	0.42			
iii.	PSMRI, Commercial Building, H. No. 6-3-1112, Oyster Complex, 3rd floor Greenlands Roads, Somajiguda, Begumpet, Hyderabad, Telangana	500073	March 09, 2023	0.02			
iv.	PSMRI, D.No.1-2-96/1, Near Govt High School, Akkireddipalem, Gajuwaka, Vishakhapatnam, Andhra Pradesh	530012	March 14, 2023	0.072			
v.	PSMRI, First floor, Plot No-657, Koradakanta, Bhubaneshwar, Khordha, Odisha	751006	February 23, 2023, February 25, 2023 and March 03, 2023	0.08			
vi.	PSMRI, G Sharma Baruah Building, Anuradha Cinema Complex, Gowahati, Kamrup, Assam	781021	March 31, 2023	0.01			

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

Vivek Valsaraj
(Executive Director)

Jairaj Purandare
(Chairman - CSR Committee)

Annexure C

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023

A. CONSERVATION OF ENERGY

i) Steps taken for conservation of Energy

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

Rabale

All energy wastage was curtailed through continuous monitoring and daily analysis of electricity consumption resulting in 2% reduction in energy consumption.

Ahmedabad PDS

a. Entered into Power Purchase Agreement with a vendor involved in generating energy through renewable sources like solar, wind etc. to save on Monthly Power Bill;

b. Installed vacuum pump exhaust pipeline in 2 chemistry laboratories to reduce VOC (Volatile Organic Compound). This has resulted in reduction of VOC from 35-65 to 16-25.

Ahmedabad PPDS

S. No.	Project Description	Capital Investment
1	Improvement in Boiler Efficiency: Steam condensate recovery for hot water generator resulted in increase in boiler feed water temperature from 35 °C to 85 °C. Hence reduction in furnace oil consumption by 10%.	₹ 1,50,000
2	Addition of chilled water coils to Air Handling Units ('AHU'), led to optimization of the load on the water cooled chiller, which resulted in saving 200 units per day.	₹ 2,50,000

Dahej

a. Installed a screw-type air compressor in place of the reciprocating type, which reduced power consumption by 288 units/day;

b. Replaced a thermostatic expansion valve with an electronic expansion valve in the -30 degree C refrigeration system which resulted in a 5% efficiency improvement of the refrigeration system and reduced power consumption norms by 100 units/day;

c. Reduced power consumption in the chilled water system by 5% (from 1.08 KW/TR to 1.00 KW/TR) by adding oil additives in the compressor which reduces friction loss.

Turbhe

a. Upgraded illumination using energy efficient ('LED') lamps in production plant;

b. Initiated execution for focused energy audit on Heating, ventilation and air conditioning ('HVAC') activities and identified multiple energy conservation projects;

c. Completed energy conservation project - Cooling Tower Operation optimisation;

d. The expenditure on capital investment on energy conservation equipment was approximately ₹ 8 Lakhs in FY 2023.

Ennore

a. Reuse of water from water plant sanitation consumed as boiler feed around ~153 KL/annum;

b. Variable Frequency Drive ('VFD') installation in air compressor lead to power reduction of ~15834 KWH/annum.

Pithampur

a. Installed Steam Condensate Recovery systems to improve efficiency of boilers and reduction in fuel upto 40 Metric Tons ('MT') & fresh water consumption of 9,000 Kilo Liter ('KL') annually, resulting in saving of ₹ 20 Lakhs / annum;

b. Replaced V-Belt drives of Air Handling Units with Flat Belt drives to reduce power consumption by 1.5 Lakhs Unit / annum;

c. Optimization in HVAC operation to reduce energy consumption by 1.6 Lakhs Unit / annum;

d. Installation of VFD, LED Light etc. under new projects & optimization of temperature for Office AC;

e. Optimum utilization of resource: A) Changeover time reduction by 8 hours in Granulation & Compression B) Batch size increase for Cyanocobalamin 1mg (2.2 Mn to 3.3 Mn);

f. The expenditure on Capital investment on energy conservation equipment was approximate ₹ 1.15 Crores in FY 2023.

Digwal

a. Automated firing operation of coal fired 16 Total Petroleum Hydrocarbon ('TPH') boiler, the automated mechanism regulated coal & air to optimize oxygen (O2) percent in flue gases in a range of 5%-6%. This will potentially save around 420 tons' coal/year and in turn will avoid around 1,000 tons carbon (CO2) emission per year;

b. Installed energy efficient centrifugal compressor of 1,550 CFM capacity that will reduce around 660 MWh units/year and will mitigate around 530 tons of CO2 gas emission/year;

c. 7 Cooling towers fan were automated to stop fans on attaining desired cooling water temperature. This results in power saving of 78 MWh units/year and CO2 emission reduction is 70 tons/year corresponding to end users pressure requirement. It results in 43 MWh units/year and 35 tons of CO_2 gas emission avoidance per year;

d. Chilled water Chillers evaporators were upgraded using better design resulting in 88 MWh/year and a corresponding CO_2 gas emission avoidance as 70 tons/year;

e. Various Kaizen initiatives for energy savings like bigger size Coal Vibro Feeder, use of pressure power pumps for condensate pumping, rationalizing compressed air network piping to improve compressors capacity utilization, use of variable frequency drives for boiler equipment results in 193 MWh/year and corresponding CO2 gas emission avoidance is 155 tons/year. The expenditure on capital investment on energy conservation equipment was approximate ₹ 2.69 Crores in FY 2023.

f. Energy saving for batch cycle time reduction

- Reduced steps from 7 steps of acetic wash. to 3 washing steps without affecting quality and that resulted in batch cycle time reduction of each batch by 4 hours.
- Total annual batch cycle time reduced by 960 hours. The avoidance of 960 hours of washing related equipment operation has reduced significant energy and 345,600 Litres of Demineralization Water ('DM') consumption.

g. Energy saving by batch Yield improvement

- Annual demand of 160 MT of one of our Generic products is met by producing 385 batches per year, the yield per batch is improved by 20 Kg and that resulted in meeting capacity demand with only 368 batches. As each batch has processing time as 9 days, it has reduced 153 days' of operation and reduced significant power consumption.

h. Capital investment on energy conservation equipment's

Installation of Energy Efficient Compressor of 1550 Cubic Feet / Minute ('CFM')	₹ 224 Lakhs (HYD-1388)
Boiler Fuel-Air automation, utilities conservation projects	₹ 18 Lakhs (HYD-1573)

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

The Company continuously explores avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies. The following steps were taken at the below mentioned sites of the Company:

Dahej

Installation of an additional 22 KW solar power plant at the Water Treatment Plant building.

Pithampur

a. Reuse of Ultra filtration Reject, condensate water and treated effluent water for utility operation and gardening;

b. Continued use of Agro-Briquette, a cleaner fuel for boiler and green energy source through Hydro Electric power.

Ahmedabad PPDS

Signed an agreement with third party to purchase hybrid power (Solar + Wind) of 0.800 MW capacity. Installation related activities are completed, expected savings are approximate ₹ 15 Lakhs.

iii) The Company's Plants have collectively made capital investments in energy conservation equipment aggregating to ₹ 4.11 Crores for the FY 2023.

B. TECHNOLOGY ABSORPTION

i) Action Taken

Mahad

a. Implemented raman spectrophotometry for identification test of raw materials;

b. Installed 2 Diesel Generator sets with capacities of 750 kVA;

c. Installed new software - Trackwise for management of change controls, deviations, incidents and Corrective and Preventive Action ('CAPAs');

d. Upgraded version of LabSolution software for e-signature and paperless processes for various instruments like High Perfomance Liquid Chouromatography ('HPLC'), Ultra violet ('UV'), Fourier Transform Infrared Spectroscopy ('FTIR'), Atomic Absorption Spectrometry ('AAS') and luminous spectrometer;

e. Implemented digitalization thorough e-signature on Invoices and COAs;

f. Installed and Commissioned high speed compression machines;

g. Installed new high capacity solution preparation vessel in food liquid area;

Board's Report

h. Installed peristaltic pump for transfer of water in Rapid Mixer Granulator ('RMG').

Ahmedabad PDS

a. **Immersion Cooler:** A new instrument Immersion Cooler was procured during the year to replace manual use of dry ice for continuous cooling requirement of small scale reaction;

b. **Aluminium Block** (to Reduce usage of oil for performing heating activities for reaction): Customized aluminium block was procured, this has helped to handle multiple reactions at the same time.

Dahej

a. Installed new technology condensate trap in V-423 & V-0203, where low steam flow is required in order to improve the condensate recovery. Improved condenser recovery from 64% to 74%;

b. Converted Batch distillation technology to continuous distillation in Hydrate distillation V272A by continuous feeding, has improved Block Chain Technology ('BCT') & productivity;

c. Improved RM quality H2 by the provision of an online Hydrogen analyzer in the hydrogenation stage to improve safety, BCT & productivity;

d. Improvement of BAC-CP reaction (Hydrogenation) by installation of an additional filter system & conversion of N2 pressure transferring to pump feed transferring, batch size increased by 8%, resulting in an output BAC-CP increase thus improved BCT & productivity;

e. BAC-CP distillation by the provision of residue cooler resulted in the BCT reduction of 3 hours from 24 hours to 21 hours;

f. R&D Activity for technology upgradation of HFMOP through installed Pilot Plant HFMOP for converting batch manufacturing process to continuous manufacturing process;

g. Resources RM norms improved i.e. HF norms improved by 4.8% by the installation of dip pipe in the holding tank and provision of coolers in the transfer line with utility change;

h. Zero leakage Manthan initiatives:

a. Replaced PTFE Valves with PFA valves with a design change from double gland sealing to tertiary sealing mechanism in HF handling to improve safety and reduced environmental pollution.

b. Replaced PPE/FRP piping with PFA piping in the HCl storage tank equalization bottom header. This has reduced the leakages frequency and ESG initiative of disposal issue of FRP piping.

i. Zero Fire/ Fire prevention safety improvement initiatives:

a. Provision of static charge dissipator at various locations.

b. Provision of a fire sprinkler system in the catalyst charging vessel.

c. Blind and bleed pressure gauge monitoring provision in between the charging vessel and hydrogenator for early detection of valve passing issues which eliminate the H2 ingress in the catalyst charging vessel.

d. Replaced insulation material of hot oil cooler in a process plant from glass wool to foam glass and reduced the hot oil leakage burn issues.

Turbhe

a. Quality management systems improved by adopting online documentation management system;

b. Manufacturing capacity increased by adding equipment for downstream processing;

c. For safer and sustainable way of manufacturing, investment were done in partial automation & chemical transfer system.

Ennore

a. Adoption of co-processing for hazardous wastes disposal instead of land fill;

b. Adoption of green chemistry for selected products;

c. Installed stream filters in Cooling tower for its efficiency improvement.

Pithampur

a. Upgraded OSD capability by brownfield project, which is equipped with commercial scale Wurster technology, high-end compression & coating machines etc;

b. Installed new purified water generation and distribution system;

c. Upgraded existing Quality Control Laboratory to enhance capacity & capability;

d. Replaced conventional gas suppression system with Novac 1230 gas suppression system at IT Server Room;

e. Introduced new duct cleaning system by using a high-pressure water jet Karcher Machine;

f. In-house developed automated punch cleaning system with water and replaced solvent;

g. Set up new state-of-the-art facility for solvent dispensing with all latest safety control.

Digwal

a. Inducted Paddle Dryer equipment to dry off hazardous waste sludge of Effluent Treatment Plant (ETP). The drying of sludge reduced the moisture in sludge from 75% to 15% and resulted in reduction of sludge quantity from 1200 tons/year to 270 tons/year. for moisture removal. Quantity reduction has avoided sludge disposal cost by ₹ 49 Lakhs per year and also the dried sludge has value to use in co-processing industries like cement plants (being explored) rather following present authorized land fill option;

b. Installed a Reverse Osmosis Plant to treat and use rain harvested water for plant operations. In FY 23 the site treated 17,000 KL of rain harvested water and recovered 11,000 KL as useful water for plants operation;

c. To strengthen Process Safety, the Site has installed 20 'Smart Earth Monitoring Systems' (SEMS) on priority equipment handling flammable solvents and dry powder with low MI values, SEMS has capability and unique features of giving hooter siren and interlock to not allow the equipment to start up unless it has required connectivity with earth system (else any presence of static charge may cause fire/ explosion);

d. Site QC Laboratory has installed in-house gas generator to produce Hydrogen, Nitrogen and Zero gas at QC Laboratory. An investment of ₹ 39 Lakhs for gas generator has an avoidance of buying these gases from outside and thereby an OPEX of ₹ 13 Lakhs/year is saved.

ii) The benefits derived (e.g. product improvement, cost reduction, product development or import substitution)

Mahad

a. Significant reduction in analysis duration and also wastage of material (as no sample is required to be removed);

b. Improved back-up with capacity to operate 70% operations during power cut-offs;

c. Achieved 21- Code of Federal Regulations ('CFR') Part 11 compliance;

d. Paper saving resulting in cost saving of approximately ₹ 50,000/- and fulfilment of statutory requirements;

e. Better control over tablets with advanced technology and eliminated the risk of Out-of Specification ('OOS') tablets;

f. Increased capacity with reduction in number of batches ultimately resulting in saving cost of analysis per batch;

g. Improved quality of printing with increased efficiency and achieved better control and accuracy to avoid human error.

Ennore

a. Reduction of impact on environment due to co-processing of hazardous waste;

b. Reduction of solvents by green chemistry which lead to cost reduction of the product as well as wastes & emissions reduction;

c. Side stream filters in cooling towers lead to sludge removal online which helps in better heat transfer and energy reduction.

Pithampur

a. Average yield increased (reduction of defects /losses) by 2% in Esperion's products with coordination with the customer;

b. Average yield increased (reduction of defects /losses) 1.5% in Apotex's products with coordination with customer;

c. Alternate vendor developed for many APIs and Excipients to give a saving of approximate ₹ 3 Crores annually.

Digwal

a. Yield improvement in one Generic product by avoiding the use of Tetrabutylammonium bromide ('TBAB') reagent from the process;

b. Saved 4 kg use of TBAB per batch i.e., ₹ 1,520 saving per batch (6.4 lakhs per year from 420 batches per year);

c. Yield was improved from 15kg to 20kg per batch.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Pithampur

i. The details of technology imported

a. Trane Centrifugal Chiller 600 TR capacity imported from China.

b. Korsch Tablet Compression m/c XL400 and XL 600 from Germany.

c. Sejong Film Coating Machine (Vantix C100)

ii. the year of import

2020 / 2021

iii. whether the technology been fully absorbed

Yes

iv. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;

2 Korsch Tablet Compression XL 600 machines are installed.

Expenditure on R&D

During the years, the Company incurred an expenditure of ₹ 48.90 Crores on Research and Development.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 2,047.79 Crores as against outgo of ₹ 673.35 Crores.

Annexure D

NOMINATION POLICY

I. Preamble

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

This policy is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 178 and other applicable provisions of the Companies Act, 2013 (hereinafter referred as 'Applicable Laws')

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

A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, science and innovation, public policy, sales & marketing and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.

2. Such candidates should also have a record of professional success.

3. Every candidate for Directorship on the Board should have the following positive attributes:

   a) Possesses a high level of integrity, ethics, credibility and trustworthiness;

   b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;

   c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth in these areas;

   d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;

   e) Displays willingness to devote sufficient time and attention to the Company's affairs;

   f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;

   g) Possesses leadership skills and is a team player.

4. Criteria for Independence applicable for selection of Independent Directors:

   a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Applicable Laws, as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

   b) Such Candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence

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

6. Extension of existing term of Independent Directors

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

B. Members of Senior Management

1. For the purpose of this Policy, the term 'Senior Management' means all executives of the Company who are heading any business or function of the Company.

2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.

3. Any candidate being considered for the post of senior management should be willing to comply fully with the applicable policies of the Company, in force from time to time.

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.

2. Candidates for Board membership may be identified from a number of sources, including but not limited to past and present members of the Board and Directors database.

3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

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

2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and such other criteria as it may deem appropriate.

3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

IV. Removal

A. Directors

1. If a Director incurs any disqualification mentioned under the Applicable Laws, the NRC may recommend to the Board, the removal of the said Director subject to and in compliance with the statutory provisions.

2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.

2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

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

REMUNERATION POLICY

1. Preamble

1.1. The Nomination and Remuneration Committee ('NRC') of Piramal Pharma Limited (the 'Company'), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.

1.2. The Remuneration Policy ('Policy') is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 178 and other applicable provisions of the Companies Act, 2013 (hereinafter referred as 'Applicable Laws')

1.3. This Policy reflects the core values viz. Knowledge, Action, Care and Impact.

2. Designing of Remuneration Packages

2.1. While designing remuneration packages, the following factors are taken into consideration:

a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;

b. Current industry benchmarks;

c. Cost of living;

d. Maintenance of an appropriate balance between fixed, performance linked variable pay and long term incentives reflecting long and short term performance objectives aligned to the working of the Company and its goals;

e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department / function and of the Company.

3. Remuneration to Directors

A. Non- Executive/ Independent Directors:

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

i. Sitting Fees: The Non- Executive / Independent Directors receive remuneration in the form of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.

ii. Commission: Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable statutory requirements.

B. Remuneration to Whole – Time Directors

i. The remuneration to be paid to the Whole – Time Directors shall be in compliance with the applicable statutory requirements, including such requisite approvals as required by law.

ii. Increments may be recommended by the NRC to the Board which shall be within applicable statutory limits.

iii. The Board may at the recommendation of the NRC and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws.

4. Remuneration to Key Managerial Personnel and Senior Management

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

i. A fixed Basic Salary;

ii. Perquisites as per Company Policy;

iii. Retirement benefits as per Company Rules and statutory requirements;

iv. Performance linked incentive (on an annual basis) based on the achievement of pre-set KRAs and long term incentives based on value creation.

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

5. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

6. Disclosure

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

7. Review

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

Annexure E

To,
The Members,
Piramal Pharma Limited

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

(1) Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

(2) We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records.

(3) We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

(4) Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of corporate and other Applicable Laws, Rules, Regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date: May 24, 2023
Place: Mumbai

For **N. L. Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
P/R No. 700/2020

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000368766

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31st 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
PIRAMAL PHARMA LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Piramal Pharma Limited** (hereinafter called **'the Company'**). Secretarial Audit was conducted in conformity with the auditing standards issued by the Institute of Company Secretaries of India ('the Auditing Standards') and the process and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

a. The Companies Act, 2013 ('the Act') and the Rules made thereunder,

b. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

c. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to the Company.

d. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 read with the notifications, guidelines and circulars issued by Securities and Exchange Board of India or Stock Exchanges in this regard, to the extent applicable to the Company:-

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations');

   ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   v. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   vii. Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 to the extent applicable to the Company;

   viii. Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

f. Other specifically applicable Laws as per list attached as 'Annexure A' to this report.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, the Company has listed its equity shares in both the stock exchanges i.e. in The National Stock Exchange of India Limited and BSE Limited.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the SEBI Listing Regulations.

Board's Report

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

Requisite resolutions were passed at the Meetings of the Board of Directors and of the Committees thereof, unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that, the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated August 12, 2022, had approved a composite scheme of arrangement amongst Piramal Enterprises Limited ('PEL'), the Company ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited (HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Act and Rules made thereunder ('Scheme'). Consequent to the Scheme, (a) the Demerged Undertaking (as defined in the Scheme) was transferred to the Company by way of a demerger, and equity shares of the Company were allotted to shareholders of PEL as per the share entitlement ratio i.e. for every 1 equity share of face and paid-up value of ₹ 2 each held in PEL, 4 equity shares of face and paid-up value of ₹ 10 each in PPL; (b) CCPL and HPPL (both wholly owned subsidiaries of PPL) were amalgamated into the Company; and (c) PFPL (a wholly owned subsidiary of PEL) was amalgamated into PEL. The Scheme became effective from August 18, 2022.

We further report that, the Board of Directors of the Company at its meeting on August 30, 2022, approved issuance of 95,46,54,800 (Ninety-Five Crores, Forty Six Lakhs, Fifty Four Thousand, Eight Hundred) fully paid-up equity shares of face value of ₹ 10/- each ("Equity Shares"), for allotment to the shareholders of PEL, pursuant to the entitlement ratio in the Scheme.

We further report that, during the audit period, the Members at the Annual General Meeting held on July 28, 2022, approved the following special resolutions:

- Appointment of Mr. Vivek Valsaraj as Whole-time Director of the Company.
- Continuation of Directorship of Mr. S Ramadorai as an Independent Director of the Company.
- Appointment of Mr. Sridhar Gorthi as an Independent Director of the Company.
- Appointment of Mr. Peter Stevenson as an Independent Director of the Company.
- Appointment of Ms. Nathalie Leitch as Non-Executive, Non-Independent Director of the Company.
- Issue of Non-Convertible Debentures on private placement basis.
- Payment of Commission to Non-Executive Directors (including Independent Directors) of the Company.
- Adoption of Piramal Pharma Employee Stock Options and Incentive Plan 2022.
- Extending the benefits of the Piramal Pharma Employee Stock Options and Incentive Plan 2022 to the employees of subsidiary companies and group companies.
- Approval for implementing the Piramal Pharma Limited-Employee Stock Option and Incentive Plans 2022 through trust route.
- Acquisition of shares of the Company for the purposes of Piramal Pharma Limited- Employee Stock Options and Incentive Plan 2022
- Granting loan and/or providing guarantee or security for purchase of the shares of the Company by the Trust/ Trustees of the Trust for the benefit of the employees under the Piramal Pharma Limited - Employee Stock Options and Incentive Plan 2022.

We further report that, during the audit period,the Members at the Extraordinary General Meeting held on September 02, 2022 approved:

- Appointment of Ms. Vibha Paul Rishi as an Independent Director.
- Amendment to the Articles of Association of the Company.

We further report that, during the audit period, the Members approved following matters through postal ballot notice dated February 8, 2023:

- Ratification of the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022
- Ratification of the extension of the benefits under the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 to the employees of subsidiary companies and group companies of the Company
- Ratification for implementation of the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022 through trust route
- Ratification for acquisition of shares of the Company by the Trust for the purposes of Piramal Pharma Limited Employee Stock Option and Incentive Plan 2022
- Ratification of the approval on granting loan and/ or providing guarantee or security for purchase of the shares of the Company by the Trust / Trustees of the Trust for the benefit of the employees under the Piramal Pharma Limited - Employee Stock Option and Incentive Plan 2022

Date: May 24, 2023
Place: Mumbai

For **N. L. Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
P/R No. 700/2020

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000368766

Board's Report

'ANNEXURE A'

LIST OF OTHER SPECIFIC APPLICABLE LAWS (including statutory amendments made thereto or amendments thereof for the time being in force):

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

1. Foods Standard & Safety Act (FSSA), 2006, Food Safety and Standards Rules, 2011, Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations, 2011
2. The Legal Metrology Act & Legal Metrology (Packaged Commodities) Rules, 2011
3. Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 and applicable State Acts
4. Foreign Trade (Development & Regulation) Act, 1992 read with Foreign Trade Policy (FTP) 2015-20 read with Customs Act, 1962
5. Maharashtra Prohibition Act, 1949 (Bombay Act No. XXV of 1949)
6. Tamil Nadu Spirituous Preparations (Control) Rules, 1984
7. National Ambient Air Quality Standards (NAAQS), 2009
8. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
9. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
10. Bio-Medical Waste (Management and Handling) Rules, 1998
11. The Chemical Weapons Convention Act, 2000 and related guidelines
12. Ozone Depleting Substance (Regulation &Control) Rules, 2000
13. Maharashtra Non-Biodegradable Garbage (Control) Act, 2006
14. Pharmaceutical Policy 2002
15. Good Clinical Practice Guidelines
16. NABL Accreditation India Requirements
17. Information Technology Act, 2000 and Rules made thereunder
18. Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
19. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules 1975.
20. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
21. The Indian Copyright Act, 1957
22. The Patents Act, 1970
23. The Trade Marks Act, 1999
24. The Drugs and Cosmetics Act, 1940 and Rules thereto
25. The Narcotic Drugs and Psychotropic Substances Act, 1985;
26. The Narcotic Drugs and Psychotropic Substances (Regulations of Controlled Substances) Order, 2013
27. The Drugs (Prices Control) Order, 2013, Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and Rules, 1955
28. The Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 & Rules, 1993
29. Maharashtra Shops and Establishments (Regulation of employment and conditions of service) Act, 2017, Rules thereunder and other State Acts and Rules thereunder, including statutory amendments made thereto.
30. Apprentices Act, 1961 and Apprenticeship Rules, 1992, National Apprenticeship Promotion Scheme (NAPS)
31. The Employees Compensation Act, 1923 and other State Acts thereunder.
32. Industrial Disputes Act, 1947
33. Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition) Central Rules, 1971 and applicable State Rules.
34. Industrial Employment (Standing Orders) Act, 1946 and Industrial Employment (Standing Orders) Central Rules, 1946 and applicable State Rules.
35. Employee's State Insurance Act, 1948 and Employees' State Insurance (Central) Rules, 1950 and Employees' State Insurance (General) Regulations, 1950.
36. The Provident Funds Act, 1925
37. Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' Provident Fund Scheme, 1952 and Employees' Pension Scheme, 1995 and Employees' Deposit Linked Insurance Scheme, 1976.
38. Equal Remuneration Act, 1976 & Equal Remuneration Rules, 1976
39. Maternity Benefit Act, 1961 and applicable State Rules.
40. Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
41. Payment of Wages Act, 1936 and Payment of Wages (Nomination) Rules, 2009 and applicable State Rules.
42. Minimum Wages Act, 1948 and Minimum Wages Rules, 1950 and applicable State Rules.
43. Payment of Gratuity Act, 1972 and applicable State Rules.
44. Bombay Labour Welfare Fund Act, 1953 Rules thereunder and other State Acts and Rules thereunder.
45. Personal Injuries (Compensation Insurance), Act, 1963 and the Rules made thereunder
46. Sales Promotion Employees (Conditions of Service) Act, 1976 and the Rules made thereunder
47. The Public Liability Insurance Act, 1991 and the Rules made thereunder
48. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder.
49. Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.
50. Income Tax Act, 1961and Rules thereunder.
51. Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017
52. Central Excise Act, 1944 and rules thereunder; State Acts governing Profession Tax, Tax on Trades, Callings and Employments Act and rules thereunder.
53. Environment (Protection) Act, 1986 and E-Waste (Management) Rules, 2016, Batteries (Management & Handling) Rules, 2001 and other Rules thereunder.
54. Selection, Installation And Maintenance Of First-Aid Fire Extinguishers - Code Of Practice (Fourth Revision)
55. Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989
56. Electricity Act, 2003 and the Rules & Regulations made thereunder
57. Factories Act, 1948 and Rules thereunder
58. Transfer of Property Act, 1882
59. The Micro, Small and Medium Enterprises Development Act, 2006
60. Consumer Protection Act, 2019 and Rules thereunder
61. The Competition Act, 2002
62. Indian Contract Act 1872
63. Prevention of Corruption Act, 1988
64. Industries (Development and Regulation) Act, 1951 and Scheduled Industries (Submission of Production Returns) Rules, 1979
65. Industries (Development & Regulation) Act, 1951 and Press Note No. 4 of 1998 dated 15.6.1998
66. Reserve Bank of India Act, 1934
67. Explosives Act, 1884 and Gas Cylinders Rules, 2016
68. Indian Explosives Act, 1884 and Static and Mobile Pressure Vessels (Unfired) Rules, 2016
69. Petroleum Act, 1934 read with Petroleum Rules 2002
70. Central Ground Water Authority (Constituted under section 3 (3) of the Environment (Protection) Act, 1986 and Guidelines to regulate and control Ground Water Extraction in India (w.e.f. 24.09.2020)
71. Energy Conservation Act, 2001 and Rules & Regulations thereunder
72. Indian Boilers Act, 1923 and Indian Boiler Regulations, 1950 and Rules
73. Insecticide Act, 1968 and Rules & Orders thereunder
74. Poisons Act, 1919 and other State Acts & Rules made thereunder
75. Atomic Energy Act, 1962 and Rules thereunder
76. Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and other State Acts
77. Maharashtra (Urban Areas) Protection and Preservation of Trees Act, 1975
78. Maharashtra Lifts Act, 1939 & The Maharashtra Lift Rules, 1958
79. Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 and Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Rules, 1975
80. The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution Act, 2003 (COTPA) and Prohibition of Smoking in Public Places Rules, 2008
81. Indian Wireless Telegraphy Act, 1933

Board's Report

82. Customs Act, 1962 and Rules thereunder
83. Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and Child and Adolescent Labour (Prohibition and Regulation) Rules, 1988
84. Rights of Persons with Disabilities Act, 2016 and Rights of Persons with Disabilities Rules, 2017 and other State Acts thereunder.
85. Transgender Persons (Protection of Rights) Act, 2019 and Transgender Persons (Protection of Rights) Rules, 2020
86. Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017 and Rules thereunder.
87. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and Rules thereunder
88. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960
89. Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983 and Maharashtra Workmen's Minimum House-Rent Allowance Rules, 1990
90. Collection of Statistic Act, 2008 and Collection of Statistics Rules, 2011
91. Any other Central and State Acts and Rules made thereunder, as may be applicable

Annexure F

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Piramal Pharma Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Piramal Pharma Limited having CIN U24297MH2020PLC338592 and having registered office at Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla Mumbai- 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ms. Nandini Piramal	00286092	04/03/2020
2.	Mr. Peter DeYoung	07152550	04/03/2020
3.	Mr. Neeraj Bharadwaj	01314963	06/10/2020
4.	Mr. S. Ramadorai	00000002	09/02/2021
5.	Mr. Jairaj Manohar Purandare	00159886	09/02/2021
6.	Mr. Vivek Valsaraj	06970246	09/02/2022
7.	Mr. Sridhar Gorthi	00035824	30/03/2022
8.	Mr. Peter Stevenson	09544706	30/03/2022
9.	Ms. Nathalie Leitch	09557042	24/05/2022
10.	Ms. Vibha Paul Rishi	05180796	30/08/2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: May 24, 2023

For **N L Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
P/R No.: 700/2020

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000369019

Annexure G

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Piramal Pharma Limited

We have examined all the relevant records of Piramal Pharma Limited ('the Company') for the purpose of certifying compliance of the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from April 01, 2022 to March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: May 24, 2023

For **N L Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
P/R No.:700/2020

Bharat Upadhyay
Partner
FCS:5436
CP. No. 4457
UDIN: F005436E000369131

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	U24297MH2020PLC338592
2	Name of the Listed Entity	Piramal Pharma Limited (the 'Company' or 'PPL')
3	Year of incorporation	2020
4	Registered office address	Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla, Mumbai- 400070
5	Corporate address	Gr. Flr., Piramal Ananta, Agastya Corp. Park, Kamani Junction, LBS Marg, Kurla, Mumbai- 400070
6	E-mail	shareholders.ppl@piramal.com
7	Telephone	+91-22-3802 3000/4000
8	Website	www.piramal.com
9	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11	Paid-up Capital	₹ 1,193.32 Crores
12	Contact Person	
	Name of the Person	Ms. Tanya Sanish – Company Secretary and Compliance Officer
	Telephone	+91-22-3802 3000/4000
	Email address	shareholders.ppl@piramal.com
13	Reporting Boundary	
	Type of Reporting (Standalone/Consolidated Basis)	Standalone-Basis

II. Product/Services

		S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
14	Details of business activities (accounting for 90% of turnover)	1	Pharmaceuticals	Manufacturing of pharmaceuticals, medicinal, chemical and botanical products	100

		S. No.	Product/Service	NIC Code	% Of Total Turnover contributed
15	Products/Services sold by the entity (accounting for 90% of turnover)	1	Manufacturing of pharmaceuticals, medicinal, chemical and botanical products	210	100

III. Operations

		Location	Number of plants	No. of Offices	Total
16	Number of locations where plants and/ or operations/offices of the entity are situated:	National	10	37	47
		International	7	4	11

17	Market served by the entity	Locations	Numbers
	• No. of Locations	National (No. of States)	PAN India
		International (No. of Countries)	Over 100 countries
	• What is the contribution of exports as a percentage of the total turnover of the entity?	59.47%	
	• A brief on types of customers	The Company offers a portfolio of diversified products and services through end-to-end manufacturing capabilities. The Company has the following business segments: • Piramal Pharma Solutions (PPS), an Integrated Contract Development and Manufacturing Organisation (CDMO): API and Formulations • Piramal Critical Care (PCC), a Complex Hospital Generics (CHG): Inhalation Anaesthesia, Injectable Anaesthesia and Pain Management, Intrathecal Therapy, and other products • India Consumer Healthcare (ICH): Over the counter ('OTC') like Lacto Calamine, Little's Expert Baby Care, Tetmosol, I-range Customers of the Company include distributors, pharmacy chains and hospitals, government institutions, retail consumers and other pharmaceutical companies.	

Business Responsibility & Sustainability Report

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	**Employees and workers (including differently-abled)**					
	Employees					
1	Permanent (D)	4070	3646	89.58	424	10.42
2	Other than Permanent (E)	204	150	73.53	54	26.47
3	Total Employees (D+E)	4274	3796	88.82	478	11.18
	Workers					
4	Permanent (F)	574	560	97.56	14	2.44
5	Other than Permanent (G)	2078	1865	89.75	213	10.25
6	Total Workers (F+G)	2652	2425	91.44	227	8.56
b.	**Differently abled employees and workers**					
	Differently abled Employees					
1	Permanent (D)	2	2	100	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total Differently Abled Employees (D+E)	2	2	100	0	0
	Differently abled Workers					
4	Permanent (F)	1	1	100	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	Total Differently Abled workers (F+G)	1	1	100	0	0

19. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	10	3	30
2	Key Management Personnel	4*	2	50

Note: The above information pertains only to the Company as on March 31, 2023.

*Includes Key Management Personnel who are on the Board of Directors

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25.88%	31.14%	26.40%	26.44%	34.76%	27.24%	27.78%	27.32%	27.74%
Permanent Workers	2.21%	6.59%	2.32%	2.74%	11.76%	3.00%	0.51%	0%	0.51%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21	S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity#	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
	1.	Piramal Critical Care Deutschland GmbH	Subsidiary	100	No
	2.	Piramal Critical Care Italia S.P.A	Subsidiary	100	No
	3.	Piramal Critical Care Limited	Subsidiary	100	No
	4.	Piramal Healthcare (Canada) Limited	Subsidiary	100	No
	5.	Piramal Healthcare (UK) Limited	Subsidiary	100	No
	6.	Piramal Healthcare Pension Trustees Limited	Subsidiary	100	No
	7.	Piramal Critical Care South Africa (Pty) Ltd	Subsidiary	100	No
	8.	Piramal Dutch Holdings N.V	Subsidiary	100	No
	9.	Piramal Healthcare Inc.	Subsidiary	100	No
	10.	Piramal Critical Care Inc.	Subsidiary	100	No
	11.	Piramal Pharma Inc.	Subsidiary	100	No
	12.	Piramal Pharma Solutions Inc.	Subsidiary	100	No
	13.	PEL Pharma Inc.	Subsidiary	100	No
	14.	Ash Stevens LLC	Subsidiary	100	No
	15.	Piramal Critical Care B.V.	Subsidiary	100	No
	16.	Piramal Critical Care Pty. Ltd	Subsidiary	100	No
	17.	PEL Healthcare LLC	Subsidiary	100	No
	18.	Piramal Pharma Solutions (Dutch) B.V.	Subsidiary	100	No
	19.	Piramal Pharma Japan GK (under liquidation)	Subsidiary	100	No
	20.	Piramal Critical Care Single Member P.C. (since February 28, 2023)	Subsidiary	100	No
	21.	Piramal Pharma II Private Limited	Subsidiary	100	No
	22.	Allergan India Private Limited	Associate	49	No
	23.	Yapan Bio Private Limited	Associate	33.33	No

#Held directly or through subsidiary companies

VI. CSR Details

22	a.	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
		Turnover (in ₹)	₹ 3,443.22 Crores
		Net worth (in ₹)	₹ 5,261.79 Crores

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VII. Transparency and Disclosures Compliances

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

23 Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy*	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	0	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	2	0	NA
Customers	Yes	608	1	NA	462	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA

*The policies governing the interaction between the Company and its stakeholders including the Grievance Redressal Mechanism is available at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/. In addition, there are internal policies placed on the intranet of the Company.

24. Overview of the entity's material responsible business conduct issues

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Business Ethics	Risk	External regulatory environment on corporate ethics is dynamic. Ethical business standards, framework, and activism are evolving that needs continuous improvement and preparedness.	The Company has established robust guiding principles ensuring ethical functioning across their value chain. Its code of conduct for board members, senior management, employees, suppliers, vendors and contractors aligns with their commitments of ethical and transparent business practices.	No significant financial impact
2.	Patient, Customer, and Consumer Centricity	Risk	Increased regulatory oversight with respect to patient and product safety along with highly competitive industry space, is an imperative for the Company to have a robust focus on patient, customer and consumer centricity.	The Company's expertise in patient, customer, and consumer-centricity is driven by its fundamental principles of Knowledge, Action, Care, and Impact. The Company recognises patient centricity as their key strategic priority and have undertaken various initiatives.	Potential positive implication due to customers' trust and long-term strategic partnership.
3.	Data Privacy and Data Security	Risk	Data integrity and privacy is an imperative to guarantee trust between the stakeholders. Evolving regulations and increasing sensitivity towards data privacy is driving focus on information security. Data breach of the Company's Information Technology systems leads to business damage and reputational risk, causing damage at both financial and non-financial ends.	The Company closely scrutinize their data management systems through following ways: • Usage of secure computers and servers • Adopting data back-ups software for remote storage as well • Presence of robust cyber security framework • Application of anti-virus, anti-spyware protection and firewall • Implementation of better cyber policies for remote-workers	Negative implication due to cost incurred on purchase of hardware and software needed for data security management system.
4.	Product quality and safety	Risk	Increased regulatory oversight with respect to patient and product safety along with highly competitive industry space, is an imperative for the Company to have a robust focus on patient, customer and consumer centricity. Thus, the Company needs to maintain their standards in order to be compliant to avoid the risk that may arise.	• The Company is on a quality advancement journey from 'Quality for Compliance' to 'Quality as a Culture', with a focus on systems, processes, technology and people. • A dedicated Corporate Quality Assurance Group actively monitors adherence to prescribed product quality standards.	Potential positive implication due to customer loyalty and long term strategic partnership.
5.	Financial Performance	Opportunity	Due to growing population, increasing access to healthcare and augmented affordability, pharmaceutical sector has poised to grow at a steady rate.	The Company's strong fundamental and robust business model enables resilient business strategy to capitalise market opportunity effectively. The Company's focus on quality and safety ensures overall financial performance.	Positive implication due to growing market.
6.	Regulatory Compliance	Risk	Stringent compliance regulations have challenged companies in a variety of ways. Any failure to obtain, retain or renew them in a timely manner may adversely affect operations. A change in laws or regulations made by the government or a regulatory body may increase the costs of operating a business.	The applicable regulatory framework is continuously tracked by the Company and the Company is compliant to the applicable laws and regulations.	Negative implication due to cost incurred on systems and processes to ensure strict compliance with applicable/emerging regulations
7.	Accessibility and Affordability	Opportunity	With increasing accessibility and affordability, the pharmaceutical industry is poised to grow at a steady rate.	The Company ensures that the products can be accessed by wider number of consumers via their traditional distribution channel and e-commerce platform and website wellify.in. at affordable rates, thereby, ensuring affordable healthcare for its patients and customers.	Positive implications in longer run due to increased market share and development.
8.	Asset Integrity	Opportunity	With growing technology advancements, better quality of assets are available at cost effective prices. An upgrade in asset base will ensure effective and efficient operations and productivity.	The Company has developed a robust systems and processes for asset management. Project Catalyst has been implemented for enhancing digitisation and automation.	Positive implication due to increased productivity
9.	Business Continuity and Disaster Resilience	Risk	Due to increased uncertainty in external environment, such as increased frequency of natural and man-made disasters, emerging infections, and cyber security risks, it is imperative for a company to have robust business continuity and disaster resilience mechanism.	The manufacturing facilities are well equipped with a resilient disaster-preparedness plans in terms of robust response, rescue measures, and quick recovery processes. The Company's robust IT system ensures data continuity and resumption of operations at the earliest.	Negative implication due to expenditure on preparedness measures
10.	Climate Action/ Climate Change	Risk	Due to rapid and evolving global warming and limited carbon budget, the preparedness to tackle climate change is an imperative for the Company. There are increasing pressure from various stakeholder groups to frame immediate and aggressive plans to address any risk that may arise.	The Company is undertaking a detailed exercise to develop a robust de-carbonisation strategic plan in order to mitigate the risk. The Company has already initiated to switch to agro-briquettes and renewable energy.	Positive implication due to process improvement, energy efficiency, and improved stakeholder output.

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S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Corporate Governance	Risk	External regulatory environment on corporate governance is dynamic and varies across regions. Corporate Governance standards, framework, and activism are evolving that needs continuous improvement.	The Company has a strong governance mechanism across all its business operations, and ensures a transparent communication of its corporate governance policies and protocols for a smooth functioning. It is also essential in order to safeguard stakeholders' priorities and expectations.	Positive implication due to smooth business operations.
12.	Employee Health and Safety ('EHS')	Risk	Employees and workers within the Company are exposed to chemically and biologically hazardous materials which may have health impacts. Furthermore, heavy machinery usage also poses risk of accidents and other hazards.	The Company has implemented robust global EHS standards for all its business operations inclusive of guidelines, and company-level EHS policy, which act as a guiding tool to identify and mitigate potential hazards and provide a secure working environment for all its employees/ workers/visitors.	Negative impact due to increased operational cost incurred on safety training, protective gears and increased capital expenditure on ensuring asset integrity.
13.	Energy Management	Opportunity	With evolution of energy efficient technologies, increasing commercial viability of renewable and other alternative sources of energy, reliance on fossil fuels is expected to get diminished.	The Company is committed to procuring and using energy in an efficient, cost effective and environmentally responsible manner. The Company has already initiated to switch to agro-briquettes and renewable energy.	Negative impact due to increased cost of fuel and capex in energy efficiency appliances. However, positive financial impact is expected in long-run due to lower cost of energy
14.	Human Capital Development	Opportunity	With the evolution of knowledge-based economy, availability of trained and skilled people, the productivity of human resources has been significantly augmented, resulting in effective significant operations.	The Company focuses on continuous learning to foster professional growth. We have robust talent management systems that nurture our human capital through comprehensive learning and career development initiatives, and by mentoring pathways, and employee engagement activities.	Positive implications due to increased productivity of workforce
15.	Operational Excellence	Opportunity	With growing technological advancements and innovations, more avenues are available for resource efficiency, product stewardship, and cost savings.	The Company focuses on operational resilience, agility and transparency through greater deployment of digital and analytical tools, along with the automation of processes.	Positive impact due to increased productivity and efficiency.
16.	Product Sustainability/ Stewardship	Opportunity	Demand for safe and sustainable products is increasing thus providing an opportunity for the organisation to increase customer base through product stewardship initiatives.	The Company has adopted adequate measures to ensure safety of the products and eco-efficiency of the operations. The Company is considering to undertake systemic studies to identify lifecycle environmental footprints of its generic products and take appropriate measures to improve product sustainability.	Positive implication due to customers' trust, loyalty and strategic partnerships.
17.	R&D and Innovation	Opportunity	Due to increased demand of healthcare, there is a presence of opportunity of product innovation. Furthermore, R&D and innovation can provide for opportunity of operational excellence.	The Company focuses on innovation-led research and has a robust R&D and quality team.	Positive impact is due to increased productivity and new product development

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
18.	Responsible Investment (CAPEX)	Opportunity	With an increasing focus of the national and state governments on green projects, the Company has an immense opportunity to tap into responsible investment, thereby, resulting in a potential to impact the productivity of the business operations	The Company has started evaluating CAPEX plans w.r.t. non-financial aspects in addition to the financial aspect during the feasibility phase.	Positive impact is due to increased relevant and strategic investments.
19.	Risk and Opportunity Management	Opportunity	Risks and opportunities assessment provides relevant insights to the company. It is a proactive, dynamic and continuous process inclusive of all the operations. The motive of the process is to prioritise and implement necessary actions to mitigate risks and perform for opportunities.	The Company has a robust Risk Management system to identify, manage and mitigate business risks. Risk management, internal controls and assurance processes are embedded into all activities of the Company.	Positive implications are due to benefits incurred by mitigating risks and delivering for opportunities.
20.	Stakeholder Relationship	Opportunity	Stakeholders' trust and credibility aligns with company if company's motives are coherent with stakeholders' priorities. The involvement and agreement of stakeholders eliminate the chances of conflicts and increase productivity.	The Company undertakes a robust stakeholder engagement process to understand the needs and expectation of its stakeholders. The Company engages with all its stakeholders, thereby helping in increasing stakeholders' trust and loyalty.	Positive impact due to reputation, goodwill and increased productivity of employees.
21.	Supply Chain Management	Risk	Dependence on single source supplier, trans border supplier engagement and procurement, has a likelihood to disrupt the supply of the products of the Company, resulting in lower sales and negative impact on the Company's reputation.	The Company has signed up for the membership of Pharmaceutical Supply Chain Initiative (PSCI). The Company is pro-actively working towards diversifying vendor base and obtaining alternative suppliers, in order to minimize any risk arising from supply chain interruptions.	Negative implication due to increase in cost of supplier evaluation.
22.	Technology Adoption	Opportunity	With growing technological advancements and innovations, more avenues are available for resource efficiency, product stewardship, and cost savings.	The Company focuses on operational resilience, agility and transparency through greater deployment of digital and analytical tools, along with the automation of processes.	Positive impact due to increased efficiency, accuracy and productivity.
23.	Water and Waste Management	Risk	With decreasing availability of water, there are risks of regulatory restrictions, stakeholder activism, and operational disruptions. Due to an increased regulatory constraints on waste disposal, it is an imperative for the Company to adopt responsible waste management practices.	The Company focuses on reduced consumption and reusage of water, prevents leaks, and embraces technologies with lower water intensities. The Company ensures that the hazardous waste generated by its operations is safely handled and disposed in an environmentally responsible manner. Additionally, the Company is undertaking comprehensive water audits at its operating locations/ sites.	Negative implication due to cost incurred in handling and safe disposal of waste and water.
24.	Air Emissions and Air Quality	Risk	In line with the Company's ESG Policy, it is an imperative for the Company to ensure ambient air quality.	The Company practices responsible management of air emissions of Nitrogen Oxides (NOx), Sulphur Oxides (Sox), Particulate Matter (PM), Volatile Organic Compounds (VOCs) and other Hazardous Air Pollutants to maintain ambient air quality.	Negative implication due to increase in CAPEX.

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S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
25.	Community Development	Opportunity	Community engagement helps the company to build trust in the community. Business operations should be coherent with the priorities and wellness of the community. Being harmonious with community prevents the risks of conflicts and creates positive image of the company.	The Company has developed strategies to improve lives of million of citizens across the Aspirational Districts with lowest HDI's across nation. The Company through its projects is driving large-scale behavioural change campaigns across the communities, and facilitate goal-based convergence forums at district, block and panchayat for ensuring last mile delivery.	Positive implications are found due to better reputation and goodwill.
26.	Ecosystem and Biodiversity	Risk	For a company being sustainably relevant for long term, it is important for them to operate in harmony with surroundings. Ecosystem is about interdependence of business operations and biodiversity with relevant natural resources including their sourcing and disposal whilst maintaining a balance	The Company is involved in multiple projects to safeguard ecosystem and biodiversity. It's Environmental, Social, and Governance (ESG) policy also promotes the conservation of biodiversity, while mitigating the risks and impacts arising from operations.	Negative implication due to cost incurred for the protection of ecosystem and biodiversity
27.	Human Rights	Risk	Human rights is an inclusive concern for a company throughout the supply chain. It also affects reputation and public relations of the company, hence making it a critical business conduct issue.	The Company has developed a Human Rights policy and redressal mechanism to address and mitigate any risk arising from human rights standpoint. The Company has established policies and processes related to ethical conduct, equal opportunities among others, prevention of sexual harassment; child labour and involuntary labour.	Negative impact is observed due to costs incurred for the strict applications and compliance of fundamental human rights.
28.	Product Tracking	Opportunity	For a responsible company, not only its operations but products should also align with their sustainable goals. It provides them with products' footprints and the impact it has on environment.	The Company strives to analyse the negative impact of its products on the environment and takes consistent efforts to minimise them.	Negative implications due to cost incurred in complex product tracking.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The Company is committed to operate in responsible manner as prescribed by the National Guidelines on Responsible Business Conduct (NGRBC). The nine (9) principles are listed below:

- Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
- Principle 2: Businesses should provide goods and service in a manner that is sustainable and safe
- Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains
- Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders
- Principle 5: Businesses should respect and promote human rights
- Principle 6: Businesses should respect and make efforts to protect and restore the environment
- Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- Principle 8: Businesses should promote inclusive growth and equitable development
- Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions			P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes											
1	a.	**Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	**Has the policy been approved by the Board? (Yes/No)**	Yes, the policy(ies) of the Company which address the nine principles have been formulated by considering diverse inputs, priorities of stakeholders and are approved by the Board.								
	c.	**Web Link of the Policies, if available**	Policies can be accessed on the Company's website at https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/ and on the Company's intranet portal.								
2	**Whether the entity has translated the policy into procedures. (Yes / No)**		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	**Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**		• ISO 45001 Occupational Health and Safety Management System (OHSMS) • ISO 14001:2015 Environment Management System (EMS) • ISO 9001 Quality Management System (QMS) • Food Safety System Certification (FSSC) 22000 • WHO Good Distribution Practices (GDP) for Digwal and Pithampur Unit • Pharmaceutical Supply Chain Initiative (PSCI) Membership • United States Food and Drug Administration (USFDA)								
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**		Yes, the Company has committed to specific set of targets to improve its performance in Environment, Social and Governance aspects. For more information on the Company's targets, refer PPL's Sustainability Report FY 2021-22 at https://www.piramal.com/wp-content/uploads/2022/10/PPL-_Sustainability_Report_FY-21-22.pdf)								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**		During FY 2021-22, the Company has adopted various ESG targets, and focused on its implementation within the reporting period. The performance against the targets of the Company is presented in PPL's Sustainability Report FY 2022-23, which will be uploaded at the Company website at https://www.piramal.com/investor/piramal-pharma-limited/financial-reports/sustainability-report/)								

Business Responsibility & Sustainability Report

Governance, Leadership and Oversight		
7	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.**	
	At PPL, we envision to become a global leading integrated pharmaceutical company leading the path of sustainability across the sector. We recognize the importance of conducting business in a responsible and sustainable manner. Guided by our four values of Knowledge, Action, Care, and Impact, we are accelerating the pace of integrating sustainability practices, accountability and transparency across our operations and value chain. As part of our efforts to integrate sustainability in our business we have developed a robust ESG framework in FY 2021-22, which was built on the four principles and 12 focus areas to achieve our purpose of "Operating responsibly, Growing sustainably". We have taken over 50-time bound sustainability targets to improve our performance in the key environment, social and governance areas. During the year, we have made significant progress on many of these targets and the details of our performance will be published in our upcoming Sustainability Report. Environmental Responsibility: To achieve our target of sustainable operations, we have implemented multiple initiatives like conducting detailed Green House Gas (GHG) assessment of all our operations to identify emissions hotspots and develop decarbonization roadways to guide individual sites to bring down their GHG emissions over medium and long term. Additionally, comprehensive water use assessments were conducted across all Indian sites and potential to minimize freshwater usage were identified. We plan on conducting similar audits in the future to further reduce our freshwater consumption. We have conducted a re-assessment of hazardous waste disposal from our manufacturing sites and currently all our international sites are incinerating hazardous waste and no waste is going to landfill. Moving forward we have started the review of waste management practices at our Indian sites to achieve our goal of zero waste to landfill. In addition to these initiatives, we undertook several initiatives in the areas of Resource Conservation and Afforestation, details of which will be available in our upcoming Sustainability Report for FY 2022-23. Social Responsibility: We understand that our success as a company is intricately linked to the well-being of our employees, communities, and stakeholders. We have developed a culture of diversity and inclusion within our organization and currently we have more than 6,000 employees from different nationalities, cultures, demographics, gender, and expertise. We provide our employees a healthy and competitive environment to thrive and embrace innovation and out-of-box thinking within their working style. During the year, we have achieved an overall 15% women participation in our global workforce at the Company level and 30% in our Board of Directors. We have strongly focused on providing upskilling opportunities to our employees through recording 34,000 Industry led trainings and making 12,700 e-learning modules available on PLU (Piramal Learning University). Our endeavors in providing a safe workplace to our employees has resulted in reducing out Lost Time Injury Rate (LTIR) to 0.10 for the year which is lower than the targeted LTIR of less than 0.2 per 200,000-person day worked. Additionally, we continue to take initiatives to address complex geographic and socio-economic issues in the aspirational districts through interventions implemented by Piramal Foundation. Details of CSR program can be accessed in the Social Section of our upcoming Sustainability Report for FY 2022-23. Governance and Ethical Practices: At PPL, we uphold the highest standard of corporate governance and ethical practices. We have a robust governance system that goes beyond regulatory compliance, and internal compliance to influence the way we operate. Our governance structure has a detailed set of practices, processes, and regulations that address the best interests of all our stakeholders. They bring to life our focus on integrity, accountability, professionalism, transparency, and customer centricity to achieve sustainable growth. We have a board of directors ('Board') that have leaders having a broad spectrum in terms of perspective, experience, expertise, gender, and culture, enriching our Company. Our Board with diverse experience of corporate functions guide our efforts to achieve our business and sustainability goals. To effectively manage the risk arising due to market forces and changing regulatory landscape, we have implemented an independent and dedicated Enterprise Risk Management (ERM) system which effectively identifies the potential risks and helps business units to implement mitigation strategies. During the year, we have displayed our best-in-class track record for quality and compliance. We have successfully completed 36 regulatory compliance inspections across all our sites, including 4 of the US FDA out of which we completed 2 with zero observation and in other 2 we received an EIR (Establishment Inspection Report) thereby successfully closing the inspections. Additionally, we have delivered multiple formal training on ESG to increase awareness among our employees and motivate them to make more sustainable choices. For more details, please refer to Chairperson and CEO's message in PPL's Sustainability Report FY 2022-23, which will be uploaded on the Company website at https://www.piramal.com/investor/piramal-pharma-limited/financial-reports/sustainability-report/	
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	The Sustainability and Risk Management Committee of the Company is the highest authority responsible for the implementation and oversight of the ESG policy
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	The Board of Directors has an overall responsibility for oversight of Business Responsibility and Sustainability practices and the senior management monitors various aspects of social, environmental, governance and economic responsibilities on a continuous basis. In addition, the Company has a dedicated committee, namely, 'Sustainability and Risk Management Committee' headed by the Chairperson of the Company which is responsible for implementation and oversight of sustainability and ESG related aspects. The Committee guides the Company in its sustainability endeavors and tracks its performance on set targets.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies are reviewed at periodic intervals considering various parameters like statutory requirements and the frequency as stated in the Policy document or on need basis.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with applicable laws								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes, an independent assessment has been carried out by Aneja Associates, Chartered Accountants.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors ('BOD')/ Key Management Personal ('KMP')	7	Periodic presentations are made at the Board meetings apprising the Board Members and KMPS about the finer aspects of the Company's businesses, the challenges faced, action plans and way forward, including: • Impact of the industry in which the Company operates on the business of the Company; • Budgets, operations and performance of the businesses and relevant regulatory/legal updates in the statutes applicable to the Company; • Risks and opportunities for the businesses; • Future outlook and the way forward.	100
Employees other than BODs and KMPs Workers	3	The Company has provided training on ESG, business code of conduct, anti-corruption, anti- bribery, whistleblower policy, awareness of prevention of insider trading requirements, Prevention of Sexual Harassment and Environmental, Health & Safety programs to the employees and workers.	100

Business Responsibility & Sustainability Report

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. [Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website]**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement/agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 6: Business should respect and make efforts to protect and restore the environment.	National Green Tribunal	8,31,60,000	The Company partly paid a penalty in connection with its factory located in Digwal, Telangana ('Digwal Unit'', which was originally owned by Piramal Enterprises Ltd (PEL). The National Green Tribunal imposed an environmental pollution penalty on PEL for the Digwal Unit through an order dated November 13, 2019. Following legal proceedings, the Telangana State Pollution Control Board (TSPCB) issued a demand notice on December 9, 2020. This notice was challenged before the Hon'ble NGT SZ. The appeal was partially allowed by the Hon'ble NGT SZ through an order dated July 16, 2021, directing PEL to pay a total compensation of ₹ 8,31,60,000. Prior to filing the appeal with the Hon'ble Supreme Court of India, PEL deposited INR 5.21 crore. The remaining INR 3.106 crore was paid by the Company (Digwal Unit and its associated liabilities, which were transferred to the Company during the restructuring exercise in the year 2020-21) on October 18, 2022, following the dismissal of the appeal and review by the Supreme Court through orders dated October 8, 2021, and July 18, 2022, respectively. Additionally, the Digwal factory was shut down on November 9, 2018, by an order from TSPCB issued to PEL. The factory resumed operations in January 2019 after complying with the given directives. It is important to note that these events occurred prior to the incorporation of Piramal Pharma Ltd, which took place on March 4, 2020, and the company was listed on the stock exchanges on October 19, 2022. Although the above amount(s) / event(s) are not material / applicable on the basis of materiality policy as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015, the same is hereby disclosed in this Report, without prejudice and as an abundant caution.	No.
Settlement	-	-	-	-	-
Compounding Fees	-	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement/ agencies / judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		Nil		
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**
Other than the litigation disclosed already in the query above, there is no appeal and in any case, there is no pending issue in this regard as on date.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**
Yes, the company has adopted a dedicated Anti-corruption and Anti-Bribery policy which outlines the risk related to bribery and corruption and provides tools and support to identify, avoid and address related risk. The policy emphasizes the Company's commitment to follow highest standard of business conduct and avoid any form of unfair practices such as bribery, corruption, kickback, facilitation payments and gifts etc. in all its professional relationships. The policy is available internally to all its employees through the Company's intranet portal.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**
NIL

LEADERSHIP INDICATORS

1. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same**
Yes, the Company's Code of Conduct for Directors requires Board members to avoid and to disclose actual and apparent conflicts of personal interest with the interest of the Company and to disclose all contractual interest, whether directly or indirectly, with the Company.

Weblink: https://www.piramal.com/wp-content/uploads/2022/09/PPL-Code-of-Conduct-for-Directors.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	8.06%	6.86%	1. New R&D center constructed with new generation technologies 2. Replacement of V belts in with Flat belts to reduce energy consumption. 3. New cooling tower installed to reduce frequent breakdown and optimise water consumption and improve efficiency. 4. Refurbishment of ZLDs System 5. Vertical Lifeline Fall Protect System 6. Sludge Drying Beds 7. Other energy conservation initiatives
Capital Expenditure (CAPEX)	46.02%	5.32%	

Business Responsibility & Sustainability Report

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the ESG Policy upholds the Company's intent to source products and services that meet with the criteria on sustainability that has been laid down in the Policy. It has adhered to green procurement practices by instituting a supplier engagement programme, specifically for those suppliers at high ESG risks. The Company considers Suppliers' Due Diligence with screening of new suppliers to assess their ESG performances and other risks. The Company is committed to the standards prescribed by Pharmaceutical Supply Chain Initiative (PSCI). The Company also makes sure through its Suppliers' Code of Conduct that the suppliers abide with the aspects of freedom of association, fair working hours, wages and benefits, equal opportunities, diversity and inclusion, freedom to work, and prevention of sexual harassment and child labour in their operations.

b. If yes, what percentage of inputs were sourced sustainably?

We source from the suppliers incorporating green procurement aspects. We are in the process of upgrading our internal systems to capture this data point, and will be disclosing the percentage in the subsequent years.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Due to the nature of the Company's business, the Company does not reclaim any products for reusing, recycling and disposing at the end of life for plastics, e-waste, hazardous and other wastes, as it is not applicable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility is applicable to our Consumer Products Division ('CPD') Division. The Company has obtained registration from the Central Pollution Control Board (CPCB) as a Brand owner on the name of PPL. The waste collection plan is in alignment with the registration obtained.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	3646	3646	100	3646	100	NA	NA	3646	100	948	26
Female	424	424	100	424	100	424	100	NA	NA	312	73.58
Total	**4070**	**4070**	**100**	**4070**	**100**	**424**	**10.42**	**3646**	**89.58**	**1260**	**30.96**
Other than Permanent Employees											
Male	150	150	100	150	100	NA	NA	NA	NA	59	39.33
Female	54	54	100	54	100	54	100	NA	NA	44	81.48
Total	**204**	**204**	**100**	**204**	**100**	**54**	**26.47**	**NA**	**NA**	**103**	**50.49**

a. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	560	560	100	560	100	NA	NA	0	0	0	0
Female	14	14	100	14	100	14	100	NA	NA	0	0
Total	**574**	**574**	**100**	**574**	**100**	**14**	**2.44**	**0**	**0**	**0**	**0**
Other than Permanent Workers											
Male	1865	1865	100	1865	100	NA	NA	0	0	0	0
Female	213	213	100	213	100	213	100	NA	NA	0	0
Total	**2078**	**2078**	**100**	**2078**	**100**	**213**	**10.25**	**0**	**0**	**0**	**0**

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Sr. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees*	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees*	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	99.88%	100.00%	Y	99.88%	100.00%	Y
2	Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
3	ESI	19.80%	0.17%	Y	19.86%	0.00%	Y
4	Others (Please specify)	NA	NA	NA	NA	NA	NA

*Includes permanent employees

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/offices of the Company are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Company provides an inclusive workplace where everyone feels engaged and finds the atmosphere supportive by the placement of requisite infrastructure and facilities like ramps and special restrooms at the premises.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company's Human Rights Policy highlights its policy commitment which ensures equal opportunity for differently abled employees and workers. The Company doesn't discriminate based on race, colour, religion, caste, gender, age, marital status, disability, nationality, or any other criteria. The Company consider competency, experience, and future potential as the sole factor for employment, promotion, and skill upgradation. The web-link to the Policy is https://www.piramal.com/investor/piramal-pharma-limited/corporate-governance/policies-code-and-compliances/

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate*	Return to work rate	Retention Rate
Male	-	-	NA	NA
Female	100	44.44%	NA	NA
Total	**100**	**44.44%**	**NA**	**NA**

*Retention rate determines who returned to work after parental leave ended and were still employed 12 months later

Business Responsibility & Sustainability Report

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company has a grievance mechanism in place to address the complaints of workers and employees. The Company has a Vigil Mechanism in place to share grievances on various matters. All grievances concerning Human Rights can be reported on a designated email ID.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	The Company has a service ('communication instrument') called 'SpeakUp', which is a robust anonymous reporting platform that enables employees within the organization to report their concerns and complaints via a secure website or by phone anonymously. This platform is made for situations where employees do not feel comfortable disclosing their identity while reporting an issue or asking a question and might have a fear of retaliation. This can include situations related to grievances but not limited to senior team members, compliance issues, harassment cases, breaches of the Code of Conduct, etc. Under the Prevention of Sexual Harassment Policy, an Internal Committee panel is institutionalised to promptly address any incidence related to sexual harassment.
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Others	0	0	0	0	0	0
Total	0	0	0	0	0	0
Permanent Workers						
Male	560	544	97.14	563	548	97.34
Female	14	13	92.86	16	14	87.50
Others	0	0	0	0	0	0
Total	**574**	**557**	**97.04**	**579**	**562**	**97.06**

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	No. (B)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	4567	3249	71.14	3621	79.29	4611	2897	63	3928	85.19
Female	550	389	70.73	550	100	901	296	33	896	99.45
Total	**5117**	**3638**	**71.10**	**4171**	**81.51**	**5512**	**3193**	**58**	**4824**	**87.52**
Permanent Workers*										
Male	560	560	100	560	100	422	422	100	422	100
Female	14	14	100	14	100	4	4	100	4	100
Total	**574**	**574**	**100**	**574**	**100**	**426**	**426**	**100**	**426**	**100**

The above details include employees and workers who were part of the Company during FY 2022-23 but may not be with the organization on March 31, 2023.

*All the permanent workers and employees at Manufacturing and R&D sites are trained on skill upgradation and health safety measures as these are mandatory and operational trainings.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	3646	3427	94.0	2918	2680	91.84
Female	424	390	92.0	324	285	87.96
Others	0	0	0	0	0	0
Total	**4070**	**3817**	**93.78**	**3242**	**2965**	**91.46**
Permanent Workers*						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

*Governed through settlement negotiations

10. Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes
a.1.	What is the coverage of such system?	Coverage: The Company has a globally harmonized Environment, Occupational Health and Safety Management System implemented across all its manufacturing sites. Additionally, all the Indian sites of the Company except PDS, Turbhe, and Rabale sites are certified with ISO 14001, and ISO 45001.
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The processes used to identify work-related hazards and assess risks by the Company are as follows: 1. Hazard Identification and Risk Assessment (HIRA) is conducted for all routine operations 2. Job Safety Analysis (JSA) is conducted at all sites for all non-routine operations. 3. Process hazards are identified through Hazard and Operability (HAZOP) studies, which are conducted periodically and during any process change. We use the software tool like Hazapro to conduct Process Hazard Analysis (PHA).
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, the Company has digitized lagging indicators (first aid injuries, incidents) and leading indicators (Near misses, substandard condition and acts) reporting through 'MySafe' portal, an EHS digital platform, to facilitate reporting and communication across locations globally. The platform performs following functions- 1. Reporting of safety observations viz unsafe acts and conditions. 2. Tracking of outcomes and corrective actions of EHS audits 3. Incident Reporting and Investigation covering all incidents under 10 defined categories, including near misses, Corrective and Preventive Actions (CAPA) management and employee health assessments 4. Automatic company-wide sharing of Learning from incidents
d.	Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, the Company provides access to non-occupational medical and healthcare services to employees in Occupational Health Centers (OHC) located at sites apart from medical claim, disability and invalidity coverage and mental well-being programs.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.27	0
	Workers	0.63	0.28
Total recordable work-related injuries	Employees	2	0
	Workers	4	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Business Responsibility & Sustainability Report

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is actively engaged in ensuring safe and healthy workplace and the measures taken are enlisted below:

1. The management has implemented a robust EHS management system, which is guided by the management's commitment in the form of Policy, followed by standards and guidelines, and site EHS procedures.
2. Hiring qualified and competent employees to ensure proper implementation of all safety systems and protocol.
3. Conducting risk assessment studies such as Hazard studies/ HIRA to identify potential hazards in the process and work areas.
4. Training need assessment is conducted annually to identify specific training needs as per specific job roles and a detailed training calendar is prepared to meet the specific training requirements.
5. Implementation of Project Light House in collaboration with Swasya to bring safety cultural transformation in the Company with behavioral interventions towards safety. This is currently being implemented at the API sites at Digwal, Ennore and Dahej.
6. Implementation of process automation such as interlock in process equipment's, layers of protection and its automation, appropriate machine guarding, automatic sensors, alarms, programmable logic controls (PLC), Closing charging systems etc. across all operation to reduce the risk of accidents.
7. Establishing objectives and targets in the form of Key Performance Indicators (KPIs) which are reviewed on monthly basis at site level and corporate level. The performance against these KPIs is assessed through a monthly score card system
8. Ensuring safe ware by work-permit system such as Hot work, confined space entry, height work etc.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & safety	0	0	NA	0	0	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All the safety related incidents are investigated as per Incident Investigation Procedure of the Company, and the Corrective and Preventive Action (CAPA) generated are executed. The CAPAs generated out of risk assessments are attended by providing hierarchy of controls.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. Employees (Yes/No): Yes

b. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, internal audits are conducted to ensure that the statutory liabilities are deducted and deposited by the Company's value chain partners.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 2022-23	Previous FY 2021-22	Current FY 2022-23	Previous FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company engages with its stakeholders and uses both formal and informal mechanisms to understand their needs, concerns, and expectations from the Company. Furthermore, the Company has conducted a robust stakeholder engagement exercise to identify key material topics related to their business-related risks, which further aids in adoption of necessary mitigation strategies for material topics that have the ability to create long-term sustainable value for their stakeholders.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors and Shareholders	No	Investor calls, investor presentations, conferences, one-on-one meetings, Annual Reports, press releases, Company website	Monthly, Quarterly, Half Yearly, Annually	• Financial performance • Responsible investment • Ethical business conduct • Long-term business growth • Risk management • Corporate governance • Brand management
Government and regulators	No	Legal filings, industry representations, forums	Quarterly, Annually	• Regulatory compliance • Participation in public policy • Corporate governance • Disclosures
Employees	No	Online surveys, townhalls, newsletters, policies, training and development	Monthly, Quarterly, Half Yearly	• Environment, Health and safety • Training and learning • Career progression • Growth opportunities • Recognition • Job security • Fair remuneration • Diverse, inclusive, and enabling work culture • Work-life balance
Suppliers and partners	No	Supplier performance evaluation, supplier engagement forum, procurement meetings	Monthly Quarterly, Annually, Need based	• Ethical business conduct • Risk and opportunity management • Material sourcing • Sustained business growth • Contract development and procurement • Timely payment of invoices
Patients and customers	No	Surveys, web portals, performance review meetings, customer meetings and audits	Monthly, Half yearly, Annually	• Accessibility and affordability of healthcare • Product quality and safety • Data privacy and security • Value added services • Patient and customer experience • Supply chain management
Industry, Organisations and NGOs	No	Industry forums	Need based	• Partnership for CSR project implementation
Community	Yes	CSR projects, employee social impact, awareness programs	Continuous, Need based, Annually	• Contributions for community welfare • Adherence to community expectations and needs

Business Responsibility & Sustainability Report

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
   The Company follows a holistic approach for engaging with all relevant internal and external stakeholders namely customers, suppliers, investors, employees etc. as a part of its assessment process to identify the key ESG material topics. The key issues and feedback are then discussed with the respective Committees of the Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
   Yes, the Company has conducted a robust assessment exercise by proactively engaging with its critical external and internal stakeholders, ensuring the long-term viability of its business. Stakeholder inclusiveness and materiality reinforce the ability to create long-term sustainable value for their stakeholders. Based on the critical topics identified in the assessment exercise, the Company has formulated an ESG Policy highlighting the policy commitments w.r.t. key material topics identified. This has further led in the development of a sustainability strategy and roadmap to deliver on its ESG goals and targets.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**
   The Company regularly engages with vulnerable and marginalized stakeholder groups to understand their needs and expectation to implement various Corporate Social Responsibility (CSR) initiatives through Piramal Foundation. The details of the CSR projects are outlined in Principal 8 of this report.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 Current Financial Year*			FY 2021-22 Previous Financial Year*		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of employees /workers covered (D)	% (D / C)
Employees						
Permanent	3638	3638	100	2767	2767	100
Other than permanent	-	-	-	-	-	-
Total Employees	**3638**	**3638**	**100**	**2767**	**2767**	**100**
Workers						
Permanent	590	590	100	426	426	100
Other than permanent	-	-	-	-	-	-
Total Workers	**590**	**590**	**100**	**426**	**426**	**100**

* We are in the process of upgrading our internal systems to capture this data point, and will be disclosing the percentage in the subsequent years. The Company was listed on the Stock Exchanges during FY 2022-23. Since, the BRSR was not applicable to the Company prior to listing, certain data is not available with respect to FY 2021-22.

Note: The Company has in place a Code of Conduct and Ethics ('COCE') which includes relevant parameters in connection with protection of human rights. Periodic trainings are rendered to all employees of the Company and the COCE also forms part of the induction kit for new employees.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year*				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	3646	NA	NA	3646	100	2918	NA	NA	2918	100
Female	424	NA	NA	424	100	324	NA	NA	324	100
Other than Permanent										
Male	150	150	100	NA	NA	-	-	-	-	-
Female	54	54	100	NA	NA	-	-	-	-	-
Workers										
Permanent										
Male	560	NA	NA	560	100	422	NA	NA	422	100
Female	14	NA	NA	14	100	4	NA	NA	4	100
Other than Permanent										
Male	1865	1865	100	NA	NA	1631	1631	100	NA	NA
Female	213	213	100	NA	NA	175	175	100	NA	NA

*The Company was listed on the Stock Exchanges during FY 2022-23. Since, the BRSR was not applicable to the Company prior to listing, certain data is not available with respect to FY 2021-22.

Note: The Company regularly reviews the state wise minimum wages and ensures all employees and workmen are paid equal or higher than the minimum wages.

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories	Number	Median remuneration/ salary/ wages of respective categories
Directors	7	Please refer to the 'Managerial Remuneration' section in the Board's Report	3	Please refer to the 'Managerial Remuneration' section in the Board's Report
KMPs	2		2	
Employees other than BoD and KMP*	3646	571,816	424	637,840
Workers	559	540,006	15	483,114

*Excludes Gratuity, Employer Provident Fund and includes Performance Pay paid in FY 2022-23

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**
   Yes, there is an internal committee which reviews the complaints (if any), and the employees are encouraged to raise any concerns with their manager, Human Resources or may submit a concern via our anonymous reporting tool, SpeakUp: https://www.speakupfeedback.eu/web/piramal/. The Company will investigate any alleged violations related to human rights, and take appropriate corrective measures. Additionally, all grievances concerning human rights can also be reported on a designated email ID.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**
   The Company is committed to ensuring compliance with its internal human rights procedures across all its operations and has a three-tier concern reporting system which starts from employees reporting any human right violation to their immediate managers, Human Resources and through an anonymous reporting tool called 'Speak Up'. The Company takes all the reported issues very seriously and takes appropriate corrective actions, as necessary. Additionally, the Company also records and redresses human rights issues through an internal mechanism received from all its stakeholders. All grievances can be reported on a designated email ID.

Business Responsibility & Sustainability Report

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	2	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company is committed to create a harassment free & discrimination free environment for its employees and has a zero-tolerance policy towards discrimination and harassment of any kind. The Company is 100% compliant with Prevention of Sexual Harassment (POSH) guidelines with Internal Complaints Committee (ICC) institutionalized to promptly address any such incidences. Additionally, its whistle blower policy ensures to protect the complainant from any unfair practice like retaliation, threat or intimidation of termination, suspension of service, disciplinary action, demotion, transfer, refusal of promotion or use of indirect or direct authority to obstruct complainant ability to perform his duties.

8. **Do human rights requirements form part of your business agreements and contracts?(Yes/No)**

Yes, the Company includes human rights requirement in its business agreements and contracts with vendors. The Company is committed in upholding and respecting fundamental human rights, as mandated by the United Nation's Universal Declaration of Human Rights (UDHR), and UN Guiding principles on Business and Human Rights. In order to be compliant with its commitments, adherence to Company's human rights' policy is an essential part of business agreements and contracts.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others (Please specify)	NA

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

During the reporting period, there was no significant risks and concerns arising from the assessments as highlighted in Question 9 above.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

There has been no significant human rights grievances / complaints warranting modification / introduction of business processes.

2. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the premises/offices of the Company are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The Company provides an inclusive workplace where everyone feels engaged and finds the atmosphere supportive by the placement of requisite infrastructure and facilities like ramps and special restrooms at the premises.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ) (Grid+Renewable)	3,18,675	3,11,716
Total fuel consumption (B) (GJ)	4,44,145	4,74,141
Energy consumption through other sources (C) (GJ)	-	-
Total energy consumption (A+B+C) (GJ)	7,62,820	7,85,857
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per million INR)	20.15	23.52

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	1,30,765	1,85,817
(iii) Third party water	3,66,978	2,93,679
(iv) Produced Water	-	-
(v) Others (Rainwater storage)	9,760	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,07,503	4,79,496
Total volume of water consumption (in kilolitres)	5,07,503	4,79,496
Water intensity per rupee of turnover (Water consumed / turnover) (kl per million INR of revenue)	14.74	14.35

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, all plants of the Company follow standard protocols for wastewater recycling. The wastewater from India API sites goes through the Zero Liquid Discharge (ZLD) Plant, and the rest of the sites follow local regulations for wastewater treatment. During the reporting period, approximately 43.31% of fresh water was converted to wastewater out of which 90.78% was recycled and reused for utilities.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:***

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	T/year	-	-
SOx	T/year	-	-
Particulate matter (PM)	T/year	-	-

* The Company's emission-levels are monitored in compliance with applicable regulations and are well-below the permissible limits. The Company is currently in the process of establishing continuous monitoring systems at its manufacturing sites, and will be disclosing the same in the subsequent disclosures ahead.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

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6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:*

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	27,163	29,041
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	58,404	68,404
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO_2e/million INR	2.48	2.92

* The Company has generated 13,324 tCO_2e in FY 2022-23 and 14,567 tCO2e in FY 2021-22 from consumption of Bio briquette.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

During the reporting period, the Company has undertaken a de-carbonization study for the development of a de-carbonization plan to reduce its footprint of Scope 1 and Scope 2 greenhouse gas emissions, for all its sites, globally.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	211	280
E-waste (B)	10	3
Bio-medical waste (C)	25	20
Construction and demolition waste (D)	-	-
Battery waste (E)	8	7
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	7,029	7,681
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,817	2,609
Total (A+B + C + D + E + F + G+ H)	**10,100**	**10,600**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	Non-hazardous	Non-hazardous
(i) Recycled	2,018	1,987
(ii) Re-used	1	-
(iii) Other recovery /disposal operations	1,009	123
Total	**3,028**	**2,110**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	Hazardous waste	Hazardous waste
(i) Incineration	266	263
(ii) Landfilling	3,911	4,192
(iii) Other recovery/disposal operations	2,938	3,232
Total	**7,115**	**7,687**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company diverts the maximum amount of waste generated through authorised recycling vendors and co-processing with the cement industry. During the reporting year, almost all of our non-hazardous waste was recycled. We exercised due diligence while selecting the authorised vendor for this activity, in line with regulations. All sites have adopted the 5R waste hierarchy (reduce, reuse, recycle, recover, and rethink) for waste management to achieve a net reduction of waste. This approach is based on the principle that responsible waste management starts by reducing consumption wherever practicable so that least waste is generated. Employees and vendors at all sites are encouraged to reuse substances where possible instead of discarding them.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

None of operations/offices are situated in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During the reporting year, there was no environment impact assessment conducted by the Company based on the applicable laws as there was no requirement to do so.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act and Environment Protection Act and Rules thereunder.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (in GJ)		
Total electricity consumption (A)	24,613	-
Total fuel consumption (B) (Bio-Briquette)	1,33,239	1,45,675
Energy consumption through other sources (C)- (on-site solar installation)	-	-
Total energy consumed from renewable sources (A+B+C)	**1,57,852**	**1,45,675**
From non - renewable sources (in GJ)		
Total electricity consumption (D)	2,94,062	3,11,716
Total fuel consumption (E)	3,10,907	3,28,466
Energy consumption through other sources (F)- Steam	-	-
Total energy consumed from non-renewable sources (D+E+F)	**6,04,969**	**6,40,182**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Sent to third-parties		
- No treatment	-	-
- With treatment – Tertiary Treatment	56,275	86,005
Total water discharged (in kilolitres)	**56,275**	**86,005**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

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3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
The Company does not operate in the water stressed areas.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format**
The Company is accounting its Scope 3 emission as part of its overall de-carbonization exercise conducted during the reporting year and will disclose the emissions from Scope 3 in the subsequent reports to be published during the coming years.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**
Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Condensate Recovery by Indirect Steam Purging	At our Digwal site, as a part of our continuous improvement initiatives we have converted 7 hot water systems from direct steam purging to indirect steam purging to increase the steam recovery from 48% to 53% through an investment of ₹ 40 Lakh in total.	• The initiative resulted in reducing LTDS load of ETP by 10-12 KL • Resulted in reducing 10-12KL of freshwater intake • Improved heat recovery
2	Steam condensate recovery	To increase the overall steam recovery at our Pithampur site, we have installed fresh steam jet pumps in different blocks to overall increase steam condensate to more than 80% of the total steam. It resulted in improved steam fuel ratio and reduced overall fuel consumption.	• Improved Condensate to total steam ratio • Reduced Fuel Consumption • Reduced Fresh water Consumption
3	Eliminate Wastage of sanitized hot water from PP-II (PW-1101) avg 4.8KL/ month and MPP III (DM-001) avg 8.0KL/month	At our Ennore site, we have implemented a system to divert sanitized hot water from purified water tank to boiler feed water tank, which was earlier send to ETP for appropriate treatment. The water is now directly used in steam generation and saved us the cost of ground water transfer and soft water conversion.	• Reduction in ETP load by 153.6 KL/ year • Reducing Carbon footprint by 90.6 Kg/annum

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**
The Company has developed and adopted a well-documented Business Continuity Plan (BCP) which focuses on building strategy for the organization to continue its critical operations during and after a disruptive event, such as natural disaster, technological failure, or any other significant incident that could possibly disrupt normal business operations. It identifies possible emergency scenarios across its operations and a structured plan for response, rescue, and recovery. As part of its business continuity plan, the Company has installed auto-fire suppression systems with NOVAC gas installed at 5 power panels at Digwal site. This will help in extinguishment of fire immediately within the compartment.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**
The Company is conscious of the fact that its value chain may create an adverse impact on the environment. One of the most important roles in reducing negative environmental impacts is strong supplier management and a sustainable procurement plan. In order to achieve that, the Company has set various targets with regards to a responsible supply chain. The main focus is on increasing supplier diversification, risk assessment, and ESG performance review as a means of de-risking their procurement and operations. Also, the suppliers have been classified into critical and non-critical suppliers. In addition to that, the Company evaluates suppliers on materials, carbon footprint, logistics, operations, service delivery, and quality.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) **Number of affiliations with trade and industry chambers/ associations.**
Two

   b) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

The trade and industry chambers/associations the entity is a member of/affiliated to are:

The trade and industry chambers/associations the entity is a member of/affiliated	Reach of trade and industry chambers/ associations (state/national)
Confederation of Indian Industry (CII)	National
National Safety council	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**
Piramal Pharma Limited (PPL) conducts its business activities in a legally and ethically compliant manner and understands the importance of competition law and its reach over our business. In the context of anti-competitive and / or restrictive trade practices, we confirm that there are no complaints at Competition Commission or suits against PPL, hence there is no requirement of any corrective action underway at present point of time. That being the case, PPL recognizes the importance of competition law principles and has made it a specific part of its Code of Conduct (CoC) and thus every PPL employee is made aware of running the business fairly and in compliance with competition law. Employees have to undergo a training for the CoC and a periodic refresher thereafter.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year-**
Not applicable, none of our projects were under ambit of mandated SIA exercise during the reporting period.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**
Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community**
The Company interacts with the local community through its volunteers and employees as a part of its CSR programs. In addition to receiving direct feedback, the Company's grievance redressal mechanism also considers grievances raised by the community.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ Small producers	23%	24%
Sourced directly from within the district and neighbouring districts	16.35%	14.64%

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**
Not Applicable

Business Responsibility & Sustainability Report

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. no	State	Aspirational District	Amount spent (INR in Crores)
1	Assam	Baksa, Barpeta, Darrang, Dhubri, Goalpara, Hailakandi, Udalguri	0.43
2	Jharkhand	Bokaro, Chatra, Dumka, East Singhbhum, Garhwa, Giridih, Godda, Gumla, Hazaribagh, Khunti, Latehar, Lohardaga, Pakur, Palamu, Ramgarh, Ranchi, Sahibganj, Simdega, West Singhbhum	1.88
3	Chhattisgarh	Bastar, Bijapur, Dantewada, Kanker, Kondagaon, Korba, Mahasamund, Narayanpur, Rajnandagaon, Sukma	1.00
4	Uttarakhand	Haridwar, Udham Singh Nagar	0.52
5	Odisha	Balangir, Dhenkanal, Gajapati, Kalahandi, Kandhamal, Koraput, Malkangiri, Nabarangapur Nuapada, Raygada	0.96
6	Andhra Pradesh	Kadapa, Visakhapatnam, Vizianagaram	0.59
7	Karnataka	Raichur, Yadgiri	0.44
8	Kerala	Wayanad	0.26
9	Tamil Nadu	Ramanathapuram, Virudhunagar	0.40
10	Telangana	Adilabad, Khammam, Warangal Rural	0.46
11	Tripura	Dhalai	0.12
12	Rajasthan	Baran, Dholpur, Jaisalmer, Karauli, Sirohi	0.46
13	Haryana	Nuh	0.05
14	Gujarat	Dahod, Narmada	0.03

3. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

   Not applicable

4. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not applicable

5. **Details of beneficiaries of CSR Projects.**

Name of Project	Detail Of Beneficiaries	% of beneficiaries from vulnerable and marginalized groups
Buniyadi Shiksha Abhiyaan	55,280 Middle managers and teachers trained	NA
Anemia Mukt Panchayat Abhiyaan	38,672 Adolescent girls tested for anemia	100%
Khel Se Sehat Abhiyaan	Engaged 36,500 students	100%
Khushal Bachpan Abhiyaan	Impacted 45,744 children	100%
ED-tech for grade appropriate learning	Onboarded 14,204 of students of grade 6 to 9, for adoption of ed-tech learning	100%

*Programs run by Piramal Foundation are funded by multiple donors through Grants and CSR including PPL. Impact numbers mentioned in the table represent the total impact of such programs and does not apportion the impact based on contribution.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Consumer Products Division has a support team functioning Monday-Saturday from 9 AM- 9 PM. Each one of our products has a 'contact us' details printed on it. The customers can either call on the toll-free number-1800-22-9898 or write an email at consumercare@piramal.com. From there, they can enquire about the product, share feedback and register the complaint. After receiving the call/email, it gets registered in the Piramal SamVaad ticketing tool and gets routed to our internal stakeholders. Each query has its unique reference ID for record purposes. The complaint cases are taken into utmost priority for timely resolution. We have an automated escalation matrix that is transparent and accessible for every assignee.

2. **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about**

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints**

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	0	NA	0	NA
Advertising	103	0	43	0
Cyber-security	0	NA	0	NA
Delivery of essential services	455	1	394	0
Restrictive Trade Practices	0	NA	0	NA
Unfair Trade Practices	0	NA	0	NA
Others (Specifications, Labelling, and Packaging)	50	0	25	0

4. **Details of instances of product recalls on account of safety issues**

	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	455	We have concluded 455 product replacements in the instances where customers registered issues with our product quality. Site-level investigations were performed with the complaint sample before closing each case.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a robust cyber security framework in place, which uses antivirus, anti-spyware protection and firewalls to protect against any possible breach.

   Additionally, the Company uses remote data back-ups, latest versions of software through secured computers and servers to mitigate the technology risks. The framework on cyber security is internally available to the relevant stakeholders on the intranet. Policy on Data privacy is available on the web-link https://www.piramal.com/privacy-policy-2/.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The Consumer Products Division has a diverse product range of 21 brands across categories such as Skin Care, Vitamins & Nutrition, Antacids, Analgesics, Gastro-intestinal and Baby-Care. Most of its brands are either No. 1 or No. 2 in their respective markets and product category. In addition, six brands feature amongst the Top 100 OTC brands.

   Web link to access the information on products and services of the Company - www.piramalcpd.com; https://wellify.in/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The health and safety warnings are printed on each product. The customers can contact the support team for any additional understanding they may require by calling on the toll-free number-1800-22-9898 or writing an email at consumercare@piramal.com. Product information and usage instruction shared with the customers are vetted by our medical regulatory department which is well within the required guidelines.

3. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, each one of our products displays an information label containing information about the product such as its ingredients and nutritional values, health and safety warnings, instructions for use, manufacturer or supplier details, contact information, and detailed tracking and product information along with barcode.

4. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact – Zero (0)

   b. Percentage of data breaches involving personally identifiable information of customers – NA

Note: The details reported in this Principle 9 pertain to the Consumer Products Division (CPD) business vertical of the Company.

Independent Auditor Report

To The Members of **Piramal Pharma Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Piramal Pharma Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Business Combination – Purchase Price Allocation on acquisition of Demerged Undertaking** "Refer to the accounting policies in Note 2 and Note 51(i)(a) in the standalone financial statements"	
	During the year, the Company has acquired the assets and liabilities of Demerged Undertaking (as defined in the Scheme) pursuant to 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'), as approved by the Hon'ble National Company Law Tribunal ("NCLT") vide order dated August 12, 2022. The aforesaid business combination has been given effect to, in the Company's financial statements, in line with the accounting principles prescribed for business combinations under Ind AS 103, Business Combinations, ('Ind AS 103') and other applicable Indian Accounting Standards. Ind AS 103 requires recognising acquired identifiable assets (including intangible assets) and liabilities of Demerged Undertaking at fair value in the Company's financial statements. Accounting for aforesaid acquisition included a number of significant and complex judgments and estimates for determination of the fair value of consideration and purchase price allocation of the acquired assets and liabilities. Given the judgements involved in the fair value measurements, this matter has been considered of most significance and hence, the same has been considered as a key audit matter in the current year audit.	Our procedures included the following: • Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination. • Read and obtained an understanding of the Composite Scheme of Arrangement approved by the National Company Law Tribunal; • Obtained and reviewed the external valuation report, considered by the Company for fair values of acquired assets and liabilities and verified the mathematical accuracy of such report; • Assessed the professional competence, experience and objectivity of the management's valuation experts involved. • Involved our valuation specialists in assessing the appropriateness of the valuation models and assumptions used in aforesaid valuation report prepared by management's expert; • Reviewed and challenged the reasonableness of key assumptions in purchase price allocation of the acquired assets and liabilities; Evaluated the adequacy of Company's financial statements, including disclosures of key assumptions and judgements made in the Company's financial statements in accordance with applicable accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Business Responsibility and Sustainability Report, Management Discussion and Analysis (MDA), Corporate Governance and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for keeping backup on daily basis of books of account maintained in electronic mode, in a server physically located in India w.r.t. the Turbhe Site (a business merged during the year) (Refer Note 65 to the standalone financial statements)

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

   g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 36 to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 5 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 17 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. As stated in note 16 to the standalone financial statements:

      (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

      (b) The company has not declared any interim dividend during the year and has not proposed final dividend for the year.

      (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 23046930BGXRKM6253)

Place: Mumbai
Date: May 24, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Piramal Pharma Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 23046930BGXRKM6253)

Place: Mumbai
Date: May 24, 2023

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

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

(c) The Company has a program of verification of property, plant and equipment (capital work-in progress and right of use assets) so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance / Business Transfer agreement provided to us, we report that, the title deeds of such immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in-progress) are held in the name of the Company as at the balance sheet date.

(e) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the Company has not revalued any of its property, plant and equipment (including Right of use assets) and intangible assets during the year.

(f) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of its inventories:

(a) The inventories (other than Goods in Transit and stocks held with third parties) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of inventory lying with the third parties, confirmations were obtained by the management for the stocks held by them at year end and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements comprising sales, production, current assets and current liabilities, wherever submitted by the Company with such banks or financial institutions, are in agreement with the unaudited books of account of the Company of the respective quarters. As informed by the management, the statement for the quarter ended March 31, 2023 will be submitted to the bank basis audited financial statements for the year ended March 31, 2023.

(iii) The Company has made investments in, provided guarantee and granted unsecured loans to companies in respect of which:

(a) The Company has provided loans, stood guarantee during the year and details of which are given below:

Particulars	Loans	Guarantees
A. Aggregate amount provided during the year:		
- Subsidiaries	₹ 256.03 crores	₹ 3,979.77 crores
B. Balances outstanding as at balance sheet date in respect of above cases*#		
- Subsidiaries	₹ 1,004.74 crores	₹ 4,033.97 crores

*The amounts reported above are at gross amounts, without considering provisions made.

Includes opening balances

The Company has not provided any advances in the nature of loans and security to any other entity during the year.

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs in Crores)	Amount unpaid (Rs in Crores)
Central Excise Laws	Excise Duty & Service Tax including interest and penalty, as applicable.	High Court	2008-13 and 2018-2022	**13.62**	**11.73**
		CESTAT	1998 to 2006, 2010-2011 and 2012-18.	**22.50**	**20.95**
		Appellate Authority upto Commissioner's level	2006-07, 2009-2018	**0.43**	**0.20**
Goods and Services Tax	Goods and Services Tax	Appellate Authority upto Commissioner's level	2017-2020	**1.25**	**1.12**
Sales Tax Laws	Sales Tax	High Court	2005-06 and 2013-18	**0.20**	**0.06**
		Tribunal	2013-2017	**0.28**	**(0.11)**
		Appellate Authority upto Commissioner's level	2013-2018	**1.35**	**0.84**
Entry Tax	Entry Tax	High Court	2014-2018	**0.99**	**0.78**
Custom Laws	Custom Duty	CESTAT	2009-2012	**1.57**	**1.41**

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) In respect of its borrowings:

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

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

(c) To the best of our knowledge and belief, in our opinion, terms loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima-facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) In respect of frauds:

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) In respect of internal audits:

(a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year when performing our audit.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) In respect of registration u/s 45-IA:

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

(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 23046930BGXRKM6253)

Place: Mumbai
Date: May 24, 2023

Balance Sheet
as at March 31, 2023

(₹ in Crores)

	Note No.	As at March 31, 2023		As at March 31, 2022	
ASSETS					
Non-Current Assets					
(a) Property, Plant & Equipment	3		1,673.56		1,500.30
(b) Capital Work in Progress	54		136.50		157.47
(c) Intangible Assets	3		645.26		694.43
(d) Goodwill	66		160.55		153.13
(e) Intangible Assets Under Development	55		280.07		247.69
(f) Right of Use Asset	45		122.50		91.12
(g) Financial Assets:					
(i) Investments	4	1,646.87		1,592.52	
(ii) Loans	5	970.65		782.15	
(iii) Other Financial Assets	6	17.86	2,635.38	14.95	2,389.62
(h) Other Non-Current Assets	7		39.90		35.14
Total Non-Current Assets			5,693.72		5,268.90
Current Assets					
(a) Inventories	8		818.61		535.51
(b) Financial Assets:					
(i) Investments	4	100.12		37.01	
(ii) Trade Receivables	9 & 52	909.56		989.22	
(iii) Cash & Cash Equivalents	10	54.28		127.69	
(iv) Bank Balances Other Than (iii) above	11	9.88		9.54	
(v) Loans	12	34.09		26.33	
(vi) Other Financial Assets	13	25.38	1,133.31	27.08	1,216.87
(c) Other Current Assets	14		396.76		349.76
Total Current Assets			2,348.68		2,102.14
Total Assets			8,042.40		7,371.04
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	15	1,193.32		1,185.91	
(b) Other Equity	16	4,068.47		3,937.21	
Total Equity			5,261.79		5,123.12
LIABILITIES					
Non-Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	17	592.34		477.12	
(ii) Lease Liabilities	45	17.27		7.99	
(iii) Other Financial Liabilities	18	4.98	614.59	0.40	485.51
(b) Provisions	19		20.58		12.51
(c) Deferred Tax Liabilities (Net)	20		194.15		171.36
Total Non-Current Liabilities			829.32		669.38
Current Liabilities					
(a) Financial Liabilities:					
(i) Borrowings	21	1,034.94		676.66	
(ii) Lease Liabilities	45	4.60		2.70	
(iii) Trade Payables					
Total outstanding dues of Micro enterprises and small enterprises	42 & 53	32.52		49.45	
Total outstanding dues of creditors other than Micro enterprises and small enterprises	42 & 53	729.15		597.35	
(iv) Other Financial Liabilities	22	60.24	1,861.45	152.85	1,479.01
(b) Other Current Liabilities	23		50.63		46.22
(c) Provisions	24		39.21		33.82
(d) Current Tax Liabilities (Net)	25		-		19.49
Total Current Liabilities			1,951.29		1,578.54
Total Liabilities			2,780.61		2,247.92
Total Equity & Liabilities			8,042.40		7,371.04

The above Balance Sheet should be read in conjunction with the accompanying notes 1-67.

Summary of Significant Accounting Policies 2a

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Statement of Profit and Loss
for the year ended March 31, 2023

(₹ in Crores)

	Note No.	For the year ended March 31, 2023		For the year ended March 31, 2022	
Revenue from operations	26		3,443.22		3,340.42
Other Income (Net)	27		341.07		224.79
Total Income			3,784.29		3,565.21
EXPENSES					
Cost of materials consumed	28	1,166.48		1,083.93	
Purchases of Stock-in-Trade	29	548.69		510.24	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	53.31		(32.66)	
Employee benefits expense	31	548.50		448.03	
Finance costs	32	115.87		57.29	
Depreciation and amortization expense	3 & 45	192.08		165.37	
Other expenses	33	1,028.71		855.60	
Total Expenses			3,653.64		3,087.80
Profit Before Exceptional Items and Tax			130.65		477.41
Exceptional Items	34		(6.96)		(15.08)
Profit before Tax			123.69		462.33
Less: Income Tax Expense	49				
Current tax (including previous year taxes)			38.77		110.82
Deferred Tax Charge/ (Credit)			15.42		(16.03)
			54.19		94.79
Profit after Tax			69.50		367.54
Other Comprehensive Income / (Loss) (OCI), net of tax expense:	35				
A. Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefit plans		(3.44)		0.45	
Income Tax Impact on above		0.87	(2.57)	(0.11)	0.34
B. Items that will be subsequently reclassified to profit or loss					
Deferred gain/(loss) on cash flow hedge		(21.09)		8.30	
Income Tax Impact on above		5.31	(15.78)	(2.09)	6.21
Total Other Comprehensive (Loss) / Income (OCI) for the year, net of tax expense			(18.35)		6.55
Total Comprehensive Income for the year, net of tax expense			51.15		374.09
Earnings Per Equity Share (Basic) (₹) (Face value of ₹ 10/- each)	44		0.58		3.12
Earnings Per Equity Share (Diluted) (₹) (Face value of ₹ 10/- each)	44		0.58		3.12

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes 1-67.

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Statement of Cash Flows
for the year ended March 31, 2023

(₹ in Crores)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items and tax	130.65	477.41
Adjustments for :		
Depreciation and amortisation expense	185.96	162.71
Amortisation of Right-of-use assets	6.12	2.66
Provision written back	(49.00)	(60.78)
Finance Costs considered separately	115.87	57.29
Interest Income on Financial assets	(51.55)	(25.50)
Dividend received	(83.79)	(90.66)
Gain/ (Loss) on measurement of financial assets at FVTPL	(0.16)	(0.10)
(Gain)/Loss on Sale of Property Plant and Equipment	0.20	0.91
Write-down of Inventories	10.19	(0.07)
Profit on Sale of Current Investment (Net)	(1.58)	(2.00)
Expected Credit Loss on Trade Receivables	7.87	2.70
Unrealised foreign exchange (gain) / loss	(89.43)	(4.24)
Operating Cashflows Before Working Capital Changes	**181.35**	**520.33**
Adjustments For Changes In Working Capital :		
Adjustments For (Increase) / Decrease In Operating Assets		
- Trade receivables	206.26	(110.52)
- Other Current Assets	27.94	(80.76)
- Other Non Current Assets	2.53	(0.58)
- Other Financial Assets- Non Current	(0.26)	(3.44)
- Inventories	(80.38)	(73.58)
- Other Financial Assets- Current	110.66	62.94
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	(308.65)	45.77
- Non- Current provisions	2.47	4.93
- Other Current Financial Liabilities	(15.96)	2.73
- Other Current Liabilities	5.25	(17.48)
- Current provisions	0.34	1.51
Cash Generated from Operations	**131.55**	**351.85**
- Taxes Paid (Net of Refunds)	(60.03)	(102.66)
Net Cash Generated from Operating Activities	**71.52**	**249.19**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(244.86)	(232.82)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	2.29	1.54
Purchase of Current Investments:		
- in Mutual Funds	(896.15)	(1,438.00)
Proceeds from Sale of Current Investments:		
- in Mutual Funds	834.78	1,403.07
Contingent consideration paid	(73.31)	-
Interest Received	38.32	8.26
Fixed deposits placed	(14.25)	(0.10)
Maturity of Deposits	13.91	(0.41)
Dividend received [Net of TDS of ₹8.38 crores (March 22-₹9.07 crores)]	75.41	81.59
Investment in equity shares of subsidiary	(34.01)	(790.74)
Investment in Associate	(20.34)	(101.77)
Loans to related parties (Net of repayments)	(116.84)	(162.29)
Transaction cost paid on acquisition of subsidiary	-	(13.94)
Net Cash used in Investing Activities	**(435.05)**	**(1,245.61)**

Statement of Cash Flows
for the year ended March 31, 2023

(₹ in Crores)

	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Non- Current Borrowings		
- Receipts	407.17	717.57
- Payments	(273.00)	(20.47)
Proceeds from Current Borrowings		
- Receipts	1,798.36	830.78
- Payments	(1,469.36)	(533.72)
Lease payments		
- Principal	(5.06)	(2.55)
- Interest	(1.49)	(1.10)
Finance Costs Paid	(99.50)	(44.01)
Dividend Paid	(67.00)	(50.00)
Payment against lapsed share warrants	-	(0.10)
Net Cash Generated from Financing Activities	**290.12**	**896.40**
Net Decrease in Cash & Cash Equivalents [(A)+(B)+(C)]	**(73.41)**	**(100.02)**
Cash and Cash Equivalents as at March 31, 2022 and March 31,2021 respectively	**127.69**	**146.72**
Cash and Cash Equivalents as at March 31, 2021 acquired on account of amalgamation (CCPL)	**-**	**4.25**
Cash and Cash Equivalents as at June 22, 2021 acquired on account of amalgamation (HPPL)	**-**	**76.74**
Cash and Cash Equivalents as at March 31	**54.28**	**127.69**
Cash and Cash Equivalents Comprise of :		
Cash on Hand	0.06	0.05
Balance with Scheduled Banks in Current Accounts	54.22	105.23
Cheques on hand	-	22.41
	54.28	127.69

Note:

1. During the year, the Company has issued 95,46,54,800 (nos.) fully paid equity shares with face value of ₹ 10 each and security premium of ₹ 126.31 per share, aggregating to ₹ 13,012.90 crores in exchange of net assets of Demerged Undertaking pursuant to the Scheme (Refer note 51).
2. During the previous year, the Company had alloted 9,657,423 equity shares of face value ₹ 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited amounting to ₹592 crores.
3. During the previous year, the Company had alloted 3,988,262 equity shares of face value ₹ 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to ₹75 crores.
4. During the previous year ,the Company had issued 177,665,757 equity shares as bonus shares to the existing shareholders in the ratio 5.674:1

The above Statement of Cash flows should be read in conjunction with the accompanying notes 1-67.

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Statement of Changes in Equity
for the year ended March 31, 2023

A. Equity Share Capital (Refer Note 15):

Particulars	(₹ in Crores)
Balance as at March 31, 2021	994.60
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	994.60
Issued during the year	191.31
Balance as at March 31, 2022	1,185.91
Issued during the year	7.41
Balance as at March 31, 2023	1,193.32

B. Other Equity

i. For the year ended March 31,2022

(₹ in Crores)

Particulars	Notes	Reserves & Surplus			Other Items in OCI	Total
		Capital Reserve	Securities Premium	Retained Earnings	Cash Flow Hedging Reserve	
Balance as at March 31, 2021		(718.34)	3,249.49	569.04	5.73	3,105.92
Profit after tax for the year		-	-	367.54	-	367.54
Acquired on merger pursuant to the Composite Scheme of Arrangement (Refer Note 51i)	16	-	-	31.36	0.15	31.51
Other Comprehensive Income for the year		-	-	0.34	6.21	6.55
Dividend paid during the year		-	-	(50.00)	-	(50.00)
Issue of Equity Shares (Refer Note 15)		-	475.69	-	-	475.69
Balance as at March 31, 2022		(718.34)	3,725.18	918.28	12.09	3,937.21

ii. For the year ended March 31,2023

(₹ in Crores)

Particulars	Notes	Reserves & Surplus			Other Items in OCI	Total
		Capital Reserve	Securities Premium	Retained Earnings	Cash Flow Hedging Reserve	
Balance as at March 31, 2022		(718.34)	3,725.18	918.28	12.09	3,937.21
Profit after tax for the year		-	-	69.50	-	69.50
Issue of Equity Shares (Refer Note 15)	16	-	93.53	-	-	93.53
Other Comprehensive Income/ (Loss), net of tax for the year		-	-	(2.57)	(15.78)	(18.35)
Dividend paid during the year*		-	-	(13.40)	-	(13.40)
Balance as at March 31, 2023		(718.34)	3,818.71	971.79	(3.69)	4,068.47

* During the period, the Company paid a dividend aggregating to ₹ 67 Crores to its shareholders (shareholding determined as of the record date). Pursuant to the Scheme referred to in note no. 51, PEL transferred its shareholding in the Company amongst other assets w.e.f. April 01 ,2022. Accordingly, to the extent of such shares transferred to the Company, dividend amounting ₹ 53.60 Crores has been netted off from the gross dividend paid. The table above reflects such net amount.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes 1-67.

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Notes to financial statements
for the year ended March 31, 2023

1. GENERAL INFORMATION

Piramal Pharma Limited ("PPL", "Company") is one of the India's largest Pharmaceutical Company.

PPL is a leading pharmaceutical company with global operations, providing end-to-end pharma services to customers and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals - Piramal Pharma Solutions, an integrated contract development and manufacturing organization ("CDMO") having a product suite in niche areas such as highly potent Active pharmaceutical ingredients ("APIs"), Finished dosage forms ("FDFs"), antibody drug conjugates, potent sterile injectable, hormonal oral solid dosage forms, biologics and vaccines; Piramal Critical Care, a complex hospital generics ("CHG") business in the areas of inhalation anaesthesia, injectable anaesthesia and pain management, intrathecal therapy and other injectable; and India consumer healthcare ("ICH") business, selling well-known OTC brands.

PPL is listed on stock exchanges during the year and domiciled in India and has its registered office at Mumbai, India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

Compliance with Ind AS

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

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

Historical Cost convention

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

ii) Investments in subsidiaries & associates

Subsidiaries:

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

Associates:

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

iii) 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 demerged undertaking comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

over the fair value of the net identifiable assets acquired is recorded as goodwill. 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

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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 Company has made accounting policy choice to account investment in associates and joint venture at a carrying cost as appearing in the books of acquiree.

2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

3) The 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 occured after that date, the prior period information is restated only from that date.

iv) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant & Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 on the basis of technical evaluation, which are as follows:

Asset Class	Useful life
Buildings*	3 years- 60 years
Roads	10 years
Furniture & Fixtures	2 years- 28 years
Plant & Equipment	3 years- 25 years
Continuous Process Plant	25 years
Office Equipment	1 year- 15 years
Motor Vehicles	8 years- 12 years

*Useful life of leasehold improvements is as per lease period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

v) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses

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and charged off to the Statement of Profit and Loss of respective year.

Development

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- It is technically feasible to complete the asset so that it will be available for use;
- Management intends to complete the asset and use or sell it;
- There is an ability to use or sell the asset;
- It can be demonstrated how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Asset Class	Useful life
Brands and Trademarks	10- 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4- 30 years
Computer Software	3- 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

vii) Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit or loss are recognised immediately in the 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 Company classifies its financial assets in the following measurement categories:

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

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

Subsequent Measurement

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account

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for the year ended March 31, 2023

for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Amortised cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses.

Fair value through profit or loss (FVTPL):
Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets
The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting year. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Compulsorily Convertible Preference Shares
Compulsorily Convertible Preference Shares are classified as a financial liability measured at amortised cost until it is extinguished on conversion.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Financial Statements for issue, not to demand payment as a consequence of the breach.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments

Financial Guarantee Contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

(i) Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

(ii) Derivatives that are not designated as hedges:

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Offsetting Financial Instruments
Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

Notes to financial statements
for the year ended March 31, 2023

viii) Trade Receivables
Trade receivables that do not contain a significant financing component are measured at transaction price of good sold or services rendered as defined in Ind AS 115, Revenue from Contract with Customers.

ix) Inventories
Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Stores and Spares. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including 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 realisable 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 statement of 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 balance sheet date.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service cost.

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for the year ended March 31, 2023

Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

xi) Provisions and Contingent Liabilities
Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

xii) Revenue recognition
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Sale of goods (including scrap sales): Revenue from the sale of goods is recognised when the Company transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised for the amount to which the Company has a right to invoice.

Distribution fees

Distribution fees are recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement provided that it is probable that the economic benefits shall flow to the Company and the amount can be measured reliably.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend: Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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.

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.

xiii) Foreign Currency Transactions
In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was

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determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

xiv) Exceptional Items

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

xv) Leases

The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

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

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

xvi) Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income

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or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

xvii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xviii) Borrowing Costs

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

xix) Segment Reporting

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated Financial Statements of the Company, which are presented in the same annual report and therefore, no separate disclosure on segment information is given in these Financial Statements.

xx) Standards issued but not yet effective

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the amendment and the impact of the amendment is insignificant in Company's financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to IndAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Company has evaluated the amendment and there is no impact on its financial statements.

xxi) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxii) Rounding of amounts

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

xxiii) Subsequent Events

Financial statements are approved after considering 'Adjusting Event' and 'Non-adjusting event'. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet 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 statements considering the nature of the transaction.

xxiv) Going Concern

When preparing financial statements, Management makes an assessment of the Company's ability to continue as going concern. Financial Statements 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 statements is not prepared on a going concern

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basis, that face is disclosed, together with the basis on which the financial statements is prepared and the reason why the Company is not regarded as going concern.

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. Impairment of Goodwill and Other Intangible Assets with Indefinite Life

Goodwill and Other Intangible Assets with Indefinite life are tested for impairment on an annual basis. Recoverable amount of cash-generating units is determined based on higher of value-in-use and fair value less cost to sell. The impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which the intangibles are monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

ii. Fair Valuation

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Company uses market observable data to the extent it is available. When Level 1 inputs are not available, the Company engages third party qualified external 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 50.

iii. Useful lives and residual values of property, plant and equipment

Property, plant and equipment represent a material portion of the Company's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

iv. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

v. Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.

vi. Provisions and Contingencies

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions, etc.

Notes to financial statements
for the year ended March 31, 2023

vii. Business combinations

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

viii. Expected credit loss

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the trade receivables having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the outstanding on designated dates.

ix. Impairment loss in Investments carried at cost

The Company conducts impairment reviews of investments in subsidiaries / associates whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.

x. 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.

Notes to financial statements
for the year ended March 31, 2023

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening As at April 1, 2022	Acquisition under Business Combination (Refer note 51)	Additions during the year	Deductions/ Adjustments	As at March 31,2023 (A)	Opening As at April 1, 2022	Depreciation For the year	Deductions/ Adjustments	As at March 31,2023 (B)	As at March 31,2023 (A-B)	As at March 31, 2022
Tangible Assets											
Land Freehold	21.03	-	-	-	21.03	-	-	-	-	21.03	21.03
Buildings	807.36	39.38	26.78	-	873.52	96.60	26.54	-	123.14	750.38	710.76
Roads	2.08	0.62	0.47	-	3.17	1.09	0.36	0.17	1.28	1.89	0.99
Plant & Equipment	1,147.26	30.64	196.72	11.01	1,363.61	406.01	94.63	9.08	491.56	872.05	741.25
Furniture and fixtures	31.36	2.00	2.84	0.15	36.05	15.43	3.73	0.13	19.03	17.02	15.93
Motor Vehicles	0.86	0.13	0.59	0.27	1.31	0.56	0.28	0.10	0.74	0.57	0.30
Office equipment	30.48	0.57	5.26	0.09	36.22	20.44	5.25	0.09	25.60	10.62	10.04
Total (I)	**2,040.43**	**73.34**	**232.66**	**11.52**	**2,334.91**	**540.13**	**130.79**	**9.57**	**661.35**	**1,673.56**	**1,500.30**
Intangible Assets *											
Brands and Trademarks +	459.64	-	-	-	459.64	189.70	32.16	-	221.86	237.78	269.94
Copyrights, Know-how and Intellectual property rights	423.41	-	-	-	423.41	22.75	15.27	-	38.02	385.39	400.66
Computer Software	50.98	-	6.01	-	56.99	31.47	6.43	-	37.90	19.09	19.51
Product Know-how	6.57	-	-	-	6.57	2.25	1.31	-	3.57	3.00	4.32
Total (II)	**940.60**	**-**	**6.01**	**-**	**946.61**	**246.17**	**55.17**	**-**	**301.35**	**645.26**	**694.43**
Grand Total (I+II)	**2,981.03**	**73.34**	**238.67**	**11.52**	**3,281.52**	**786.30**	**185.96**	**9.57**	**962.70**	**2,318.82**	**2,194.73**

*** Material Intangible Assets as on March 31, 2023:**

Particulars	Carrying Value as at March 31, 2023 (₹ in Crore)	Carrying Value as at March 31, 2022 (₹ in Crore)	Remaining useful life as on March 31, 2023
Product-related Intangibles- Brands and Trademarks	237.78	269.94	1 year to 14 years
Product-related Intangibles-Copyrights, Know-how and Intellectual property rights	381.56	395.08	1 year to 29 years

[#] Depreciation for the year ended March 31, 2023 includes depreciation amounting to ₹8.02 Crores (Previous Year ₹ 7.88 Crores) on assets used for Research and Development locations at Ennore,Thane and Mumbai.

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

There has been no revaluation of Property, Plant and Equipment (PPE) and Intangibles during the year ended March 31,2023.

Refer Note 36B(a) for the contractual capital commitments for purchase of Property, Plant & Equipment.

The Company holds the title deeds of all immovable properties in their name.

Refer note 54 and 55 for ageing of Capital Work in Progress and Intangible Assets under development

Considering internal and external sources of information, the Company has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Company has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Company's best estimate of the recoverable amounts.

Notes to financial statements
for the year ended March 31, 2023

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT	
	Opening As at April 1, 2021	Gross block Acquired under Business Combination Refer note 51(ii)	Acquired under Business Combination at Fair Values Refer note 51(ii)	Additions during the year	Deductions/ Adjustments during the year	As at March 31, 2022 (A)	Opening As at April 1, 2021	Acquisition under Business Combination (Refer note 51)	For the year[#]	Deductions/ Adjustments	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)	As at March 31, 2021
Tangible Assets													
Land Freehold	21.03	-	-	-	-	21.03	-	-	-	-	-	21.03	21.03
Buildings	738.13	41.52	7.44	20.27	-	807.36	75.11	0.19	21.30	-	96.60	710.76	663.02
Roads	2.08	-	-	-	-	2.08	0.87	-	0.22	-	1.09	0.99	1.21
Plant & Equipment	913.09	122.62	28.21	95.90	12.56	1,147.26	332.92	1.55	81.76	10.22	406.01	741.25	580.17
Furniture and fixtures	28.18	0.30	0.16	2.81	0.09	31.36	12.66	-	2.80	0.03	15.43	15.93	15.52
Motor Vehicles	0.88	-	0.03	0.02	0.07	0.86	0.51	-	0.13	0.08	0.56	0.30	0.37
Office equipment	25.81	0.35	0.29	4.07	0.04	30.48	15.35	0.03	5.09	0.03	20.44	10.04	10.46
Total (I)	**1,729.20**	**164.79**	**36.13**	**123.07**	**12.76**	**2,040.43**	**437.42**	**1.77**	**111.30**	**10.36**	**540.13**	**1,500.30**	**1,291.78**
Intangible Assets *													
Brands and Trademarks +	451.51	-	-	8.13	-	459.64	158.05	-	31.65	-	189.70	269.94	293.46
Copyrights, Know-how and Intellectual property rights	17.79	-	405.62	-	-	423.41	10.54	-	12.21	-	22.75	400.66	7.25
Computer Software	40.46	0.32	-	10.20	-	50.98	25.22	0.01	6.24	-	31.47	19.51	15.24
Product Know-how	6.57	-	-	-	-	6.57	0.94	-	1.31	-	2.25	4.32	5.63
Total (II)	**516.33**	**0.32**	**405.62**	**18.33**	**-**	**940.60**	**194.75**	**0.01**	**51.41**	**-**	**246.17**	**694.43**	**321.58**
Grand Total (I+II)	**2,245.53**	**165.11**	**441.75**	**141.40**	**12.76**	**2,981.03**	**632.17**	**1.78**	**162.71**	**10.36**	**786.30**	**2,194.73**	**1,613.36**

* Material Intangible Assets as on March 31, 2022:

Particulars	Carrying Value as at March 31, 2022 (₹ Crores.)	Carrying Value as at March 31, 2021 (₹ Crores.)	Remaining useful life as on March 31, 2022
Product-related Intangibles- Brands and Trademarks	269.94	293.46	2 years to 15 years
Product-related Intangibles-Copyrights, Know-how and Intellectual property rights	395.08	-	2 years to 30 years

[#] Depreciation for the year end.ed March 31, 2022 includes depreciation amounting to ₹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.

Notes to financial statements
for the year ended March 31, 2023

Considering internal and external sources of information, the Company has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Company has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) an increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Company's best estimate of the recoverable amounts.

Refer Note 36B(a) for the contractual capital commitments for purchase of Property, Plant & Equipment.

There has been no revaluation of Property, Plant and Equipment (PPE) and Intangibles during the year ended March 31,2022.

The Company holds the title deeds of all immovable properties in their name.

Refer note 54 and 55 for ageing of Capital Work in Progress and Intangible Assets under development

4. Investments

Investments - Non Current:

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
Investments in Equity Instruments (fully paid up, unless otherwise stated):				
A. In Subsidiaries (Unquoted) - At cost:				
i. Piramal Healthcare Inc.				
Equity Contribution	55.67		55.67	
Capital Contribution (Guarantee)	30.77	86.44	30.77	86.44
ii. Piramal Dutch Holdings N.V.		1,390.54		1,390.54
iii. Piramal Healthcare UK Limited (Capital Contribution - Guarantee)		1.06		1.06
iv. Piramal Healthcare Canada Limited(Capital Contribution - Guarantee)		2.21		2.21
v. PEL Pharma Inc.		6.54		6.54
vi. Piramal Pharma II Private Limited		34.01		-
		1,520.80		1,486.79
B. In Associates :				
Unquoted - At Cost:				
i. Allergan India Private Limited		3.92		3.92
ii. Yapan Bio Private Limited (Face Value of ₹ 10 each) **		122.11		101.77
		126.03		105.69
C Other Body Corporate:				
Quoted- AT FVTPL				
BASF India Limited		0.04		0.04
Non Current Investments		1,646.87		1,592.52

** 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 ₹ 101.77 crores.

On April 4, 2022, the Company has acquired an additional stake of 5.55% in Yapan for an investment of ₹ 20.35 crores and thus the aggregate stake in Yapan is 33.33%.The Company had accounted for the acquisition in accordance with Ind AS 28.

Notes to financial statements
for the year ended March 31, 2023

Investments - Current:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount (₹ In Crores)	Quantity	Amount (₹ In Crores)
Financials assets carried at fair value through profit or loss (FVTPL)				
i. Investment in Mutual Funds (Quoted) - at FVTPL				
Aditya Birla Sun life Overnight Fund-Growth-Direct Plan	3,55,160	43.07	-	-
Kotak Overnight Fund Growth- Direct	2,25,826	27.00	1,94,100	22.01
UTI Overnight Fund- Direct Growth Plan Growth	97,814	30.02	51,550	15.00
Franklin India Short Term Income Plan (Growth)	2,530	0.02	-	-
Nippon India Equity Savings Fund- Growth	4,78,118	0.01	-	-
Current Investments		100.12		37.01

Details of Investments:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Financial Assets carried at Cost		
Investments in Equity Instruments of Subsidiaries	1,520.80	1,486.79
Investments in Equity Instruments of Associates	126.03	105.69
	1,646.83	1,592.48
(ii) Financial Assets carried at fair value through profit or loss (FVTPL)		
Equity	0.04	0.04
	0.04	0.04
(iii) Financial Assets carried at fair value through profit or loss (FVTPL)		
Mutual Funds	100.12	37.01
	100.12	37.01
Total	1,746.99	1,629.53

5. Loans - Non-Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans (Unsecured And Considered Good)		
Loans to related parties (refer Note 38)	970.65	782.15
Total	970.65	782.15

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in a Party (Ultimate Beneficiaries) identified by or on behalf of the Company.

6. Other Financial Assets - Non Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	17.86	14.95
Total	17.86	14.95

Notes to financial statements
for the year ended March 31, 2023

7. Other Non-Current Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax [net of provision for tax ₹ 253.85 Crores (Previous year- of ₹ 131.34 Crores)]	17.14	7.00
Capital Advances	1.02	3.87
Advances recoverable	21.70	24.23
Prepayments	0.04	0.04
Total	39.90	35.14

8. Inventories

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw and Packing Materials [Includes in transit of ₹13.87 Crores (Previous Year ₹ 1.78 Crores)]	395.49	253.59
Work-in-Progress	222.15	212.87
Finished Goods	75.57	24.99
Stock-in-trade	69.97	0.01
Stores and Spares[Includes in transit of ₹ NIL (Previous Year ₹0.98 Crores)]	55.43	44.05
Total	818.61	535.51

Note:

1. The cost of inventories recognised as an expense during the year was ₹ 1851.29 Crores. (Previous Year ₹ 1,630.17 Crores)
2. The cost of inventories recognised as an expense includes credit of ₹6.45 Crores (Previous Year ₹ 0.07 Crores) in respect of write downs of inventory to net realisable value and expense of ₹16.64 Crores (Previous Year ₹ 0.30 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.
3. Refer note 2(a)(ix) for policy for valuation of inventories.
4. Refer note 21 for inventories hypothecated as security against borrowings.

9. Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
(a) Secured- Considered Good	0.23		-	
(b) Unsecured- Considered Good	911.79		991.20	
Less: Expected Credit Loss on (b)	(2.46)	909.56	(1.98)	989.22
(c) Unsecured-Considered Doubtful	40.94		25.42	
Less: Expected Credit Loss on (c)	(40.94)	-	(25.42)	-
Total		909.56		989.22

The credit period on sale of goods generally ranges from 7 to 150 days.

The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the Company performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Of the Trade Receivables balance as at March 31, 2023 of ₹ 909.56 Crores, (Previous Year ₹ 989.22 Crores) the top 3 customers of the Company represent the balance of ₹ 131.20 Crores (Previous year ₹ 353.50 Crores) as at March 31, 2023. There is One customer (Previous year One Customer) who represents more than 5% of total balance of Trade Receivables.

Notes to financial statements
for the year ended March 31, 2023

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

Particulars	Expected credit loss (%) For external customers
Less than 365 days	0.30%
More than 365 days	100.00%

(₹ in Crores)

Movement in Expected Credit Loss Allowance:	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the period	27.40	24.70
Add: Transfer from Piramal Enterprises Limited on account of demerger	8.13	-
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	7.87	2.70
Balance at the end of the period	43.40	27.40

For ageing of trade receivables, refer Note 52

10. Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
i. Balance with Banks :				
- Current Accounts	54.22		105.23	
- Cheques in hand	-	54.22	22.41	127.64
ii. Cash on Hand		0.06		0.05
Total		54.28		127.69

11. Other Bank Balances

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Margin Money	6.12	5.63
Deposit Accounts	3.76	3.91
[Held as security against borrowings/ guarantees: ₹3.66 Crores (Previous year ₹3.21 Crores)]		
Total	9.88	9.54

12. Loans - Current (Unsecured and Considered Good)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost :		
Loans Receivables from Related Parties (refer note 38)	34.09	26.33
Total	34.09	26.33

Notes to financial statements
for the year ended March 31, 2023

13. Other Financial Assets - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	6.13	2.98
Guarantee Commission receivable	4.24	0.44
Derivative Financial Assets	-	7.47
Unbilled revenues #	10.86	2.91
Other Receivables from Related Parties (refer note 38)	1.34	10.77
Interest Accrued	0.76	0.14
Others	2.05	2.37
TOTAL	**25.38**	**27.08**

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

14. Other Current Assets

Unsecured and Considered Good :

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances	84.56	99.58
Balance with Government Authorities	291.61	232.37
Prepayments	19.23	16.29
Claims Receivable (includes export incentive)	1.36	1.52
TOTAL	**396.76**	**349.76**

15. Share Capital

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
262,90,00,000 (previous year 1,50,00,00,000) equity shares of ₹ 10 each	2,629.00	1,500.00
10,00,00,000 compulsorily convertible preference shares of ₹ 10 each	-	100.00
35,00,00,000 preference shares of ₹ 10 each	350.00	-
2,10,00,000 unclassified shares	21.00	-
	3,000.00	1,600.00

*The Authorised share capital of the Company is increased pursuant to the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited ('the Company'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Finvest Private Limited and their respective shareholders and creditors which was approved by the National Company Law Tribunal, Mumbai Bench vide its order dated 12th August, 2022 ('scheme')

Issued, Subscribed & Paid Up Capital

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1,19,33,18,500 (Previous year 1,18,59,13,506) equity shares of face value of ₹ 10 each fully paid.	1,193.32	1,185.91
Total	**1,193.32**	**1,185.91**

Notes to financial statements
for the year ended March 31, 2023

(i) Movement in Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	1,18,59,13,506	1,185.91	99,46,02,064	994.60
Add: Issued during the period				
Preferential Issue- Piramal Enterprises Limited	-	-	96,57,423	9.65
Preferential Issue - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	-	-	39,88,262	3.99
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
Allotment of shares pursuant to the Scheme	95,46,54,800	954.65	-	-
Less: Cancelled during the period				
Cancellation of equity shares held by PEL and its nominees pursuant to the Scheme	(94,72,49,806)	(947.24)	-	-
At the end of the year	**1,19,33,18,500**	**1,193.32**	**1,18,59,13,506**	**1,185.91**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustee Mr. Ajay G Piramal and Dr. (Mrs.) Swati A Piramal	31,55,10,320	26.44%	-	-
Caisse De Depot Et Placement Du Quebec	6,59,80,753	5.53%	-	-
Piramal Enterprises Limited- Parent Company	-	-	94,72,49,806	79.88%
CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	23,86,63,700	20.00%	23,86,63,700	20.12%

(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 ₹ 10 each fully paid up to the shareholders of Piramal Enterprises limited in the ratio of 1:4 pursuant to composite scheme of arrangement	2022-23	95,46,54,800
Allotment of equity shares of face value of ₹10 each as bonus shares to the existing shareholders in the ratio 5.674:1	2021-22	17,76,65,757
Allotment of equity shares of face value ₹10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments).	2021-22	39,88,262
Allotment of equity shares of face value ₹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 ₹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 ₹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.

Notes to financial statements
for the year ended March 31, 2023

(v) Shareholdings of Promoter
Shares held by promoters at the end of the year as at March 31, 2023

	No. of shares	%of total shares	% Change during the year*
Ajay G. Piramal	4,93,184	0.04	100
Swati A. Piramal	8,400	0.00	100
Anand Piramal	7,88,388	0.07	100
Nandini Piramal	1,81,948	0.02	100
Lalita G. Piramal	4,936	0.00	100
Peter DeYoung	4,32,000	0.04	100
Anya Piramal DeYoung	1,92,000	0.02	100
Master Dev Piramal Deyoung	1,92,000	0.02	100
Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	26,028	0.00	100
PRL Realtors LLP	3,58,95,652	3.01	100
The Ajay G. Piramal Foundation	39,46,924	0.33	100
V3 Designs LLP	3,88,04,000	3.25	100
Anand Piramal Trust	5,57,308	0.05	100
Nandini Piramal Trust	4,90,960	0.04	100
Aasan Corporate Solutions Private Limited	80,55,500	0.68	100
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	95,43,224	0.80	100
The Sri Krishna Trust (Through its trustees Ajay G. Piramal and Swati Piramal)	31,55,10,320	26.44	100

*Since company is listed during the year, shareholding of promoter is changed.

Shares held by promoters at the end of the year as at March 31, 2022

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

16. Other Equity

(₹ in Crores)

	As at March 31, 2023	As at March 31, 2022
Capital Reserve	(718.34)	(718.34)
(This reserve is outcome of Business transfer (Business combination) from Piramal Enterprises Ltd. to the Company)		
Securities Premium	3818.71	3725.18
(Securities Premium is on account of issue of equity shares. The reserve will be utilised in accordance with the provision of the Companies Act, 2013)		
Cash Flow Hedging Reserve	(3.69)	12.09
(The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve. (Refer Note 47(d)))		
Retained Earnings	971.79	918.28
(The retained earnings are the profits that the company has earned to date, less any dividend or distributions paid to investors)		
Total	**4068.47**	**3937.21**

Note - Refer Statement of Changes in Equity for movement in reserve

The Company has not declared any dividend during the year and has not proposed final dividend for the year.

Notes to financial statements
for the year ended March 31, 2023

17. Borrowings - Non Current

(₹ in Crores)

	As at March 31, 2023	As at March 31, 2022
Secured - at amortized cost		
(i) Term Loan from financial institution	193.81	277.97
(ii) Redeemable Non Convertible Debenture	398.53	199.15
Total	**592.34**	**477.12**

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

A. Term Loan from other than Banks -Rupee Loans *

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023 *	Principal Outstanding as at March 31, 2022*
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 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
First pari passu on entire property, plant and equipment of borrower present and future.First charge on current assets of borrower, present and future.	Repayable in 20 Quarterly instalments from Feb 2019	15.00	34.69
First pari passu on entire property, plant and equipment of borrower present and future.Secon First pari passu charge on current assets of borrower, present and future.	Repayable in 30 Quarterly installments from Dec 2022	21.74	17.57

The coupon rates for the above loans are 8.41 % to 9.64 % per annum (Previous Year : 7.49%,7.67% & 7.70% per annum).

*Including current portion

B. Redeemable Non Convertible Debentures *

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023 *	Principal Outstanding as at March 31, 2022*
First pari- pasu charge over pool of selected tangible and intangible assets.	The amount of ₹200 Crores is redeemable at par in equal annual repayment at the end of 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 ₹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 ₹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 coupon rate for the above debentures are in the range of 8.15% to 8.93% per annum (Previous Year : 7.50 % per annum)

*Including current portion

* The Company has not received any funds to lend or invest in other persons or entities on behalf of the Funding party.Further, there are no funds received from any Party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities ("Ultimate Beneficiaries") identified by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has utilised the borrowings (including current borrowings) for the purpose for which they were taken.

Notes to financial statements
for the year ended March 31, 2023

18. Other Financial Liabilities - Non-Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent consideration Payable	4.98	0.40
Total	**4.98**	**0.40**

19. Non-Current Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer note 37)	20.58	12.51
TOTAL	**20.58**	**12.51**

20. Deferred Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities/(Assets) on account of temporary differences :		
- Property, Plant and Equipment and Intangible Assets	213.13	177.46
- Fair value measurement of derivative contracts	(0.13)	1.65
- Recognition of lease rent expense	10.44	3.90
- Remeasurement of defined benefit obligation	(2.12)	(1.25)
- Expected Credit Loss on Trade Receivables	(10.93)	(0.99)
- Debt EIR impact	(1.05)	0.72
- Expenses that are allowed on payment basis	(14.58)	(9.44)
- Others	(0.61)	(0.69)
Total	**194.15**	**171.36**

Refer Note 49 for movement during the period

21. Borrowings - Current

(₹ in Crores)

	As at March 31, 2023		As at March 31, 2022	
(a) Loans repayable on demand				
Secured - At Amortised Cost				
Loans from banks :				
- Working capital Demand Loan	519.65		200.03	
- Packing Credit Loan	200.69		190.18	
		720.34		390.21
Current maturity of long-term loans (refer note 17)		314.60		286.45
Total		**1,034.94**		**676.66**

Notes:

(₹ in Crores)

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan*	At Call	7.50 % to 8.90 % per annum
Packing Credit Loan**	At Call	7.90 % to 8.85 % per annum

Notes to financial statements
for the year ended March 31, 2023

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

*** Working capital Demand Loan**

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Sep 04, 2023	35.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 25, 2023	25.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 25, 2023	30.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 23, 2023	30.00	-
First pari-passu charge on the current assets of the company, both present and future	Repayable on Aug 08, 2023	45.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 21, 2023	20.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 19, 2023	20.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 17, 2023	25.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 15, 2023	25.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 9, 2023	50.00	-
First pari-passu charge on the current assets of the company, both present and future	Repayable on June 7, 2023	20.00	-
First pari-passu charge on the current assets of the company, both present and future	Repayable on May 09, 2023	30.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 04, 2023	45.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 03, 2023	49.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Apr 28, 2023	20.00	-
First pari passu charge over the present and future current assets (Stock & Debtors) of the Borrower.	Repayable on Apr 28, 2023	50.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on September 9, 2022	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on September 2, 2022	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on August 5, 2022	-	35.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on August 1, 2022	-	20.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 27, 2022	-	25.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 8, 2022	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 6, 2022	-	30.00

**** Packing Credit Loan**

Notes to financial statements
for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on September 01, 2023	10.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on August 29, 2023	63.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on August 28, 2023	27.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on June 6, 2023	50.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 31, 2023	50.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on September 18, 2022	-	50.00
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on September 12, 2022	-	50.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 24, 2022	-	40.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 10, 2022	-	50.00

22. Other Financial Liabilities - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee related liabilities	45.76	37.27
Capital Creditors	1.17	2.32
Derivative Financial Liability	0.97	-
Retention Money	-	0.35
Security Deposits Received	3.90	2.63
Other payables	2.29	20.77
Contingent Consideration Payable	6.15	89.51
Total	**60.24**	**152.85**

23. Other Current Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from Customers	7.49	31.57
Statutory Dues	15.12	8.48
Deferred Revenue	28.02	6.17
Total	**50.63**	**46.22**

24. Current Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits (Refer note 37)	39.21	33.82
Total	**39.21**	**33.82**

Notes to financial statements
for the year ended March 31, 2023

25. Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax [Net of advance tax-NIL (previous year-₹ 76.85 Crores)]	-	19.49
Total	**-**	**19.49**

26. Revenue From Operations

(₹ in Crores)

	As at March 31, 2023		As at March 31, 2022	
Revenue from Contracts with Customers				
Sale of products	2,912.98		2,915.88	
Sale of Services	436.61	3,349.59	302.94	3,218.82
Other operating revenues:				
Scrap Sales	32.26		55.12	
Distribution fees	55.59		40.73	
Others (insurance claims, export incentives etc.)	5.78	93.63	25.75	121.60
Total		**3,443.22**		**3,340.42**

Disaggregate Revenue Information

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

Revenue by product line/ timing of transfer of goods/ services

(₹ in Crores)

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	At Point in time	Over time	At Point in time	Over time
Pharmaceuticals	2,094.21	436.61	2,173.93	302.94
Over the counter products	818.77	-	741.95	-
Total	**2,912.98**	**436.61**	**2,915.88**	**302.94**

Reconciliation of revenue recognised with the contract price

(₹ in Crores)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products and services at transaction price	3,480.01	3,270.66
Less: Discounts	(130.42)	(51.84)
Revenue recognised on sale of products and services	**3,349.59**	**3,218.82**

27. Other Income

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Income on Financial Assets (at amortized costs)	51.55	25.50
Dividend Income		
- On Non-current Equity Instruments in Associates	83.79	90.66
Other Gains & Losses:		
- Foreign Exchange Gain (Net)	138.69	40.54
- On Current Investments at FVTPL	0.16	0.10
Profit on Sale of Investment (Net)	1.58	2.00
Write back of liabilities no longer payable	49.00	60.78
Guarantee Income	8.28	0.87
Miscellaneous Income	8.02	4.34
Total	**341.07**	**224.79**

Notes to financial statements
for the year ended March 31, 2023

28. Cost of Materials Consumed

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Inventory	253.59	213.43
Add: Acquired under Business Combination (Refer note 51)	29.41	12.93
Add: Purchases	1,278.97	1,111.16
Less: Closing Inventory	395.49	253.59
Total	**1,166.48**	**1,083.93**

29. Purchases of Stock-In-Trade

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Traded Goods	548.69	510.24
Total	**548.69**	**510.24**

30. Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

(₹ in Crores)

	As at March 31, 2023		As at March 31, 2022	
Opening Stock				
Work-in-Progress	212.87		145.39	
Finished Goods	24.99		34.65	
Stock-in-trade	0.01	237.87	1.73	181.77
Add: Acquired under Business Combination (Refer note 51)				
Work-in-Progress	29.99		13.25	
Finished Goods	28.05		10.19	
Stock-in-trade	125.09	183.13	-	23.44
Closing Stocks :				
Work-in-Progress	222.15		212.87	
Finished Goods	75.57		24.99	
Stock-in-trade	69.97	367.69	0.01	237.87
Total		**53.31**		**(32.66)**

31. Employee Benefits Expense

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries and Wages	475.77	388.40
Contribution to Provident and Other Funds (Refer Note 37)	23.27	18.01
Gratuity Expenses (Refer Note 37)	3.64	3.81
Staff Welfare	45.82	37.81
Total	**548.50**	**448.03**

32. Finance Costs

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Finance Charge on financial liabilities measured at amortised cost	114.52	56.95
Interest on Income Tax	0.04	-
Other borrowing costs	1.31	0.34
Total	**115.87**	**57.29**

Notes to financial statements
for the year ended March 31, 2023

33. Other Expenses

(₹ in Crores)

	As at March 31, 2023		As at March 31, 2022	
Processing Charges		10.89		9.65
Consumption of Stores and Spares Parts		82.81		69.20
Consumption of Laboratory materials		65.80		48.56
Power, Fuel and Water Charges		107.94		83.83
Repairs and Maintenance				
Buildings	33.39		29.13	
Plant and Machinery	53.13		46.52	
Others	0.58	87.10	1.94	77.59
Rent				
Premises	-		0.41	
Other Assets	13.12	13.12	9.79	10.20
Rates & Taxes		18.98		40.60
Insurance		26.18		19.11
Travelling Expenses		33.39		20.29
Directors' Commission		1.63		0.72
Directors' Sitting Fees		0.39		0.28
Expected Credit Loss on Trade Receivables		7.87		2.70
Loss on Sale of Property Plant & Equipment (Net)		0.20		0.91
Advertisement and Business Promotion Expenses		138.71		123.01
Donations		8.87		9.56
Contribution to Electoral Trust		3.00		-
Freight		73.22		58.44
Export Expenses		3.01		1.18
Clearing and Forwarding Expenses		15.66		0.25
Communication and Postage		6.04		5.04
Printing and Stationery		7.39		4.92
Legal Charges		2.39		6.44
Professional Charges		73.72		37.51
Royalty Expense		22.90		15.20
Service Charges		113.04		94.83
Information Technology Costs		12.69		19.81
R & D Expenses (net)		48.90		63.32
Miscellaneous Expenses		42.87		32.45
Total		**1,028.71**		**855.60**

Note:

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year - ₹7.58 Crores (Previous year: ₹7.11 Crores)
- Amount of expenditure incurred ₹7.58 Crores (Previous year: ₹7.40 Crores)
- Shortfall at the end of the year Nil (Previous year : Nil)
- Total of previous years shortfall Nil (Previous year : Nil)
- Reason for shortfall - Not Applicable
- Nature of CSR activities - Aspirational District Collaborative Education programme.
- 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

Notes to financial statements
for the year ended March 31, 2023

34. Exceptional Items

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Certain transaction cost related to business combination (refer note 51)	(6.96)	(15.08)
Total	**(6.96)**	**(15.08)**

35. Other Comprehensive Income / (Loss) (Net of Taxes)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Remeasurement of post-employment benefit obligations	(2.57)	0.34
Deferred gains / (losses) on cash flow hedge	(15.78)	6.21
Total	**(18.35)**	**6.55**

36 Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
A Contingent Liabilities :		
1 Claims against the Company not acknowledged as debt:		
Dispute with Telangana Pollution Control Board (TPCB)	11.86	11.86
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Department is in appeal	-	0.42
Sales Tax	2.83	1.06
Central / State Excise / Service Tax / Custom	39.36	25.55
Labour Matters	1.92	1.56
Note: Future cash outflows in respect of above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
ii. Unexpired Letters of Credit	1.35	2.36
B Commitments :		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	70.26	38.52
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	23.12	28.38

Refer note 38.3 for guarantees

37 Employee Benefits :

Brief description of the Plans:

Other Long Term Employee Benefit Obligations:

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Defined Contribution plans:

The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis."

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

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

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

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

The gratuity plan is a funded plan and the Company makes contributions to trust administered by the Company. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

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

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to Regional Provident Fund Office	2.74	2.20
Employer's contribution to Superannuation Fund	0.27	0.20
Employer's contribution to Employees' State Insurance	0.60	0.53
Employer's contribution to Employees' Pension Scheme 1995	6.03	5.21
Employer's contribution to National Pension Scheme	0.98	0.75

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 31 & 33)

Notes to financial statements
for the year ended March 31, 2023

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

A. Change in Defined Benefit Obligation

(₹ in Crores)

	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2023		Year Ended March 31, 2022	
Present Value of Defined Benefit Obligation as at beginning of the year.	54.91	170.01	51.28	12.99
Aquisition through business combination	5.16	-	2.13	-
Interest Cost	3.76	16.61	3.46	5.23
Current Service Cost	4.61	12.48	4.43	10.15
Contributions from plan participants	-	19.99	-	16.81
Liability Transferred In for Employees Joined	-	2.99	-	118.82
Benefits Paid from the fund	(4.19)	(8.94)	(5.64)	(0.88)
Return on Plan Assets, Excluding Interest Income	-	(6.79)	-	6.89
Actuarial (Gains)/loss- due to change in Demographic Assumptions	-	-	-	-
Actuarial (Gains)/loss- due to change in Financial Assumptions	(0.26)	-	(1.24)	-
Actuarial (Gains)/loss- due to experience adjustments	2.74	-	0.49	-
Present Value of Defined Benefit Obligation as at the end of the year	**66.73**	**206.35**	**54.91**	**170.01**

B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2023		Year Ended March 31, 2022	
Fair Value of Plan Assets as at beginning of the year	45.43	170.01	46.98	12.99
Acquisition through business combination	5.16	-	1.19	-
Interest Income	3.11	16.61	3.08	5.23
Contributions from employer	0.06	32.47	0.15	26.96
Assets Transferred In for Employees joined	-	2.99	-	118.82
Assets Transferred out for Employees left	-	-	-	-
Benefits Paid from the fund	(4.19)	(8.94)	(5.64)	(0.88)
Return on Plan Assets, Excluding Interest Income	(0.96)	(3.05)	(0.33)	6.89
Fair Value of Plan Assets as at the end of the year	**48.61**	**210.09**	**45.43**	**170.01**

C. Amount recognised in the Balance Sheet

(₹ in Crores)

	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2023		Year Ended March 31, 2022	
Present Value of Defined Benefit Obligation as at the end of the year	66.73	206.35	54.91	170.01
Fair Value of Plan Assets as at end of the year	48.61	210.09	45.43	170.01
Net Liability/(Asset)	18.12	(3.74)	9.48	-
Assets Not Recognised In Balance Sheet	-	3.74	-	-
Net Liability recognised in the Balance Sheet (Refer Note 19)	18.12	-	9.48	-
Recognised under:				
Non Current provision (Refer Note 19)	18.12	-	9.48	-

Any Gains/Losses on Asset and Surplus of Asset are not recognised in the Balance Sheet as the same belongs to the Trust and the Company does not have claim over the Trust surplus (if any).

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

D. Expenses recognised in Statement of Profit and Loss

(₹ in Crores)

	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2023		Year Ended March 31, 2022	
Current Service Cost	4.61	12.48	4.43	10.15
Net interest Cost	0.65	(0.00)	0.38	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**5.26**	**12.48**	**4.81**	**10.15**

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 31 and 33).

E. Expenses Recognized in the Other Comprehensive Income/(Losses) (OCI)

(₹ in Crores)

Particulars	Gratuity	Gratuity
	Year Ended March 31, 2023	Year Ended March 31, 2022
Actuarial (Gains)/Losses on Obligation for the Year- Due to changes in financial assumptions	(0.26)	(1.24)
Actuarial (Gains)/Losses on Obligation for the Year- Due to experience adjustment	2.74	0.49
Return on Plan Assets, Excluding Interest Income	0.96	0.33
Net (Income)/Loss Recognized in OCI	**3.44**	**(0.42)**

F. Significant Actuarial Assumptions:

(₹ in Crores)

	(Funded)		(Funded)	
	Gratuity	Provident Fund	Gratuity	Provident Fund
	Year Ended March 31, 2023		Year Ended March 31, 2022	
Discount Rate (per annum)	7.39%	7.39%	6.41% to 6.90%	6.84%
Expected Rate of return on Plan Assets (per annum)	7.39%	8.15%	6.84%	8.10%
Salary escalation rate	9.50% p.a. for the next 1 year, 7.00% p.a. for the next 2 years, starting from the 2nd year 6.00% p.a. thereafter, starting from the 4th year	N.A.	9.50% p.a. for the next 1 year, 7.00% p.a. for the next 2 years, starting from the 2nd year 6.00% p.a. thereafter, starting from the 4th year	N.A.

The expected rate of return on plan assets is based on market expectations at the closing of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Company. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

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

(₹ in Crores)

Particulars	Gratuity	Gratuity
	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	9.48	4.30
Expenses Recognized in Statement of Profit or Loss	5.26	4.81
Expenses Recognized in OCI	3.44	0.37
Net Liability/(Asset) Transfer In	0.00	-
Employer's Contribution	(0.06)	-
Net Liability Recognized in the Balance Sheet	**18.12**	**9.48**

Notes to financial statements
for the year ended March 31, 2023

H. Category of Assets

(₹ in Crores)

	Gratuity	Provident Fund	Gratuity	Provident Fund
	As at March 31, 2023		As at March 31, 2022	
Government of India Assets (Central & State).	22.09	107.30	18.05	79.76
Public Sector Unit Bonds	0.19	3.72	-	-
Corporate Bonds	17.54	82.20	14.74	64.67
Fixed Deposits under Special Deposit Schemes of Central Government*	3.94	-	7.23	-
Insurance fund	-	-	1.08	-
Equity Shares of Listed Entities / Mutual Funds	4.82	8.05	4.32	6.25
Others*	0.03	8.82	0.01	19.33
Total	48.61	210.09	45.43	170.01

* Except these, all the other investments are quoted.

I. Other Details

(₹ in Crores)

Particulars	Gratuity	Gratuity
	As at March 31, 2023	As at March 31, 2022
No of Active Members	4,565	3,976
Per Month Salary For Active Members (₹ in Crores)	14.74	11.83
Average Expected Future Service (Years)	7 Years	5 to 8 Years
Projected Benefit Obligation (PBO) (₹ in Crores)	66.72	55.44
Prescribed Contribution For Next Year (12 Months) (₹ in Crores)	14.74	20.41

J. Cash Flow Projection: From the Fund

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	Gratuity
	Estimated for year ended March 31, 2023	Estimated for year ended March 31, 2022
1st Following Year	9.35	5.67
2nd Following Year	5.90	4.45
3rd Following Year	7.64	5.45
4th Following Year	7.04	6.16
5th Following Year	6.99	5.60
Sum of Years 6 To 10	34.00	28.06
Sum of Years 11 and above	38.52	-

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

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

Weighted average duration of the defined benefit obligation is 8 years.

K. Sensitivity Analysis

(₹ in Crores)

Projected Benefit Obligation	Gratuity	Gratuity
	As at March 31, 2023	As at March 31, 2022
Impact of +1% Change in Rate of Discounting	(6.06)	(3.00)
Impact of-1% Change in Rate of Discounting	2.76	3.34
Impact of +1% Change in Rate of Salary Increase	2.71	3.32
Impact of-1% Change in Rate of Salary Increase	(5.50)	(3.03)
Impact of +1% Change in Rate of Employee Turnover	(1.24)	0.05
Impact of-1% Change in Rate of Employee Turnover	1.27	(0.07)

Notes to financial statements
for the year ended March 31, 2023

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The liability for Leave Encashment (Non – Funded) as at March 31,2023 is ₹38.43 Crores.(Previous year ₹32.72 crores)

The liability for Long term Service Awards (Non – Funded) as at March 31,2023 is ₹2.96 Crores.(Previous year ₹2.83 crores)

38 Related Party Disclosures

1. List of related parties

A. Holding Company

Piramal Enterprises Limited (PEL) (till March 31, 2022)

B. Fellow Subsidiaries* (Till March 31, 2022)

PHL Fininvest Private Limited
Piramal Alternatives Private Limited (erstwhile known as Piramal Asset Management Private Limited)
Piramal Capital and Housing finance Limited
Piramal Dutch IM Holdco B.V.
PEL-DRG Dutch Holdco B.V
INDIAREIT Investment Management Co. (IIMCO)
Piramal Holdings (Suisse) SA

* where there are transactions during the previous year

C. Subsidiaries

The Subsidiary companies including step down subsidiaries as on March 31, 2023

(₹ in Crores)

Particulars	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2023	Proportion of Ownership interest held as at March 31, 2022
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**	U.S.A	100%	100%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%	100%
Piramal Pharma II Private Limited (w.e.f. June 8, 2022)	India	100%	N.A.
Piramal Pharma Japan GK **	Japan	100%	100%
Piramal Critical Care ΜΟΝΟΠΡΟΣΩΠΗ I.K.E. (w.e.f. February 28, 2023) **	Greece	100%	N.A.

** held through Piramal Dutch Holdings N.V.

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

Notes to financial statements
for the year ended March 31, 2023

D. Associates and Joint Ventures

(₹ in Crores)

Particulars	Principal Place of Business	% voting power held as at March 31, 2023	Relationship as at March 31, 2023
Allergan India Private Limited (Allergan)	India	49.00%	Associate
Yapan Bio Private Limited (Yapan)	India	33.33%	Associate

E. Associates and Joint Ventures

(₹ in Crores)

Particulars	Principal Place of business	% voting power held as at March 31, 2022	Relationship as at March 31, 2022
Allergan India Private Limited (Allergan)	India	49.00%	Associate
Yapan Bio Private Limited	India	27.78%	Associate

F. 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)

G. 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
Mr. Jairaj Manohar Purandare
Mr. Neeraj Bharadwaj
Mr. Peter Andrew Stevenson
Mr. Rajesh Laddha (upto February 10, 2022)
Ms. Nathalie Leitch (w.e.f. May 24, 2022)
Ms. Vibha Paul Rishi (w.e.f. August 30, 2022)

* where there are transactions during the previous year

2. Details of transactions with related parties.

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries		Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Purchase of Goods												
- Piramal Critical Care Inc.	-	-	-	-	64.69	17.46	-	-	-	-	64.69	17.46
- Piramal Healthcare UK Limited	-	-	-	-	1.88	0.49	-	-	-	-	1.88	0.49
Total	-	-	-	-	66.57	17.95	-	-	-	-	66.57	17.95
Sale of Goods												
- Allergan	-	-	-	-	-	-	70.04	66.06	-	-	70.04	66.06
- Piramal Healthcare UK Limited	-	-	-	-	11.18	17.52	-	-	-	-	11.18	17.52
- Piramal Critical Care Inc.	-	-	-	-	238.88	209.07	-	-	-	-	238.88	209.07
- Piramal Healthcare (Canada) Limited	-	-	-	-	1.32	2.22	-	-	-	-	1.32	2.22
- Piramal Critical Care Limited	-	-	-	-	1.32	3.71	-	-	-	-	1.32	3.71
- Piramal Critical Care BV	-	-	-	-	25.49	16.07	-	-	-	-	25.49	16.07

Notes to financial statements
for the year ended March 31, 2023

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries		Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
- Ash Stevens LLC	-	-	-	-	5.27	0.95	-	-	-	-	5.27	0.95
- PEL	-	925.96	-	-	-	-	-	-	-	-	-	925.96
Total	-	925.96	-	-	283.46	249.54	70.04	66.06	-	-	353.50	1,241.56
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
- Piramal Healthcare UK Limited	-	-	-	-	16.48	-	-	-	-	-	16.48	-
- Piramal Healthcare (Canada) Limited	-	-	-	-	2.11	3.32	-	-	-	-	2.11	3.32
- Ash Stevens LLC	-	-	-	-	1.51	5.08	-	-	-	-	1.51	5.08
- Piramal Pharma Solutions (Dutch) BV	-	-	-	-	1.84	-	-	-	-	-	1.84	-
Total	-	-	-	0.90	21.94	8.40	-	-	-	0.05	21.94	9.35
Dividend Received												
- Allergan	-	-	-	-	-	-	83.79	90.65	-	-	83.79	90.65
Total	-	-	-	-	-	-	83.79	90.65	-	-	83.79	90.65
Dividend Paid												
- PEL	-	39.94	-	-	-	-	-	-	-	-	-	39.94
Total	-	39.94	-	-	-	-	-	-	-	-	-	39.94
Guarantee Commission Income												
- Piramal Healthcare UK Limited	-	-	-	-	0.51	0.51	-	-	-	-	0.51	0.51
- Piramal Critical Care Limited	-	-	-	-	2.27	0.27	-	-	-	-	2.27	0.27
- Piramal Dutch Holdings N.V.	-	-	-	-	1.21	-	-	-	-	-	1.21	-
- Piramal Critical Care Inc.	-	-	-	-	3.56	-	-	-	-	-	3.56	-
- Piramal Pharma Inc.	-	-	-	-	0.69	-	-	-	-	-	0.69	-
- Piramal Pharma Solutions Inc.	-	-	-	-	0.04	-	-	-	-	-	0.04	-
Total	-	-	-	-	8.28	0.78	-	-	-	-	8.28	0.78
Guarantee Commission												
- PEL	-	0.04	-	-	-	-	-	-	-	-	-	0.04
Total	-	0.04	-	-	-	-	-	-	-	-	-	0.04
Reimbursement of Expenses (Payable / Paid)												
- PEL	-	81.15	-	-	-	-	-	-	-	-	-	81.15
- Ash Stevens LLC	-	-	-	-	0.20	-	-	-	-	-	0.20	-
- PEL Healthcare LLC	-	-	-	-	0.08	-	-	-	-	-	0.08	-
- Piramal Critical Care BV	-	-	-	-	0.07	-	-	-	-	-	0.07	-
- Piramal Critical Care GMBH	-	-	-	-	0.03	-	-	-	-	-	0.03	-
- Piramal Critical Care Inc.	-	-	-	-	1.33	-	-	-	-	-	1.33	-
- Piramal Critical Care Italia Spa	-	-	-	-	0.05	-	-	-	-	-	0.05	-
- Piramal Critical Care Limited	-	-	-	-	0.11	-	-	-	-	-	0.11	-
- Piramal Critical Care Pty Limited	-	-	-	-	*	-	-	-	-	-	*	-
- Piramal Critical Care South Africa Pty	-	-	-	-	0.02	-	-	-	-	-	0.02	-
- Piramal Healthcare Canada Ltd	-	-	-	-	0.16	-	-	-	-	-	0.16	-
- Piramal Healthcare UK Limited	-	-	-	-	0.39	-	-	-	-	-	0.39	-
- Piramal Pharma Solutions Inc.	-	-	-	-	0.12	-	-	-	-	-	0.12	-
Total	-	81.15	-	-	2.56	-	-	-	-	-	2.56	81.15
Receiving of Services												
- Piramal Healthcare UK Limited	-	-	-	-	19.77	12.50	-	-	-	-	19.77	12.50
- Piramal Critical Care Inc.	-	-	-	-	-	1.28	-	-	-	-	-	1.28

Notes to financial statements
for the year ended March 31, 2023

(₹ in Crores)

Particulars	Holding Company		Fellow Subsidiaries		Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
- Ash Stevens LLC	-	-	-	-	49.89	34.41	-	-	-	-	49.89	34.41
- PEL	-	56.87	-	-	-	-	-	-	-	-	-	56.87
Total	-	**56.87**	-	-	**69.66**	**48.19**	-	-	-	-	**69.66**	**105.06**
Royalty Expense												
- PCSL	-	-	-	-	-	-	-	-	-	17.07	-	17.07
Total	-	-	-	-	-	-	-	-	-	**17.07**	-	**17.07**
Rent Income												
- PHL Fininvest Private Limited	-	-	-	2.53	-	-	-	-	-	-	-	2.53
- Piramal Alternatives Private Limited (erstwhile known as "Piramal Asset Management Private Limited")	-	-	-	0.26	-	-	-	-	-	-	-	0.26
Total	-	-	-	**2.79**	-	-	-	-	-	-	-	**2.79**
Purchase of Intangible												
- Piramal Holdings (Suisse) SA	-	-	-	0.62	-	-	-	-	-	-	-	0.62
Total	-	-	-	**0.62**	-	-	-	-	-	-	-	**0.62**
Staff Welfare Expenses												
- PEL	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Total	-	**0.01**	-	-	-	-	-	-	-	-	-	**0.01**
Contribution of funds												
- PPFT	-	-	-	-	-	-	-	-	32.46	26.96	32.46	26.96
Total	-	-	-	-	-	-	-	-	**32.46**	**26.96**	**32.46**	**26.96**
Guarantees given during the year (including forex fluctuations) (Financial/Performance)#												
- Piramal Pharma Solutions Inc. (performance guarantee)	-	-	-	-	540.32	-	-	-	-	-	540.32	-
- Piramal Healthcare UK Limited (including performance guarantee of ₹ 64.68 Crores)	-	-	-	-	64.68	-	-	-	-	-	64.68	-
- Piramal Critical Care Inc.	-	-	-	-	1,996.85	-	-	-	-	-	1,996.85	-
- Piramal Critical Care Limited ^	-	-	-	-	1,015.72	-	-	-	-	-	1,015.72	-
- Piramal Dutch Holdings N.V.^	-	-	-	-	615.49	-	-	-	-	-	615.49	-
- PEL Pharma Inc. ^	-	-	-	-	351.71	-	-	-	-	-	351.71	-
Total	-	-	-	-	**4,584.77**	-	-	-	-	-	**4,584.77**	-
Finance granted /(repayments) - (including loans and Equity contribution/Investments in cash or in kind)												
- Piramal Dutch Holdings N.V.	-	-	-	-	-	70.94	-	-	-	-	-	70.94
- PEL Pharma Inc (net of repayment of ₹76.94 Crores)	-	-	-	-	112.29	91.41	-	-	-	-	112.29	91.41
- Piramal Pharma II Private Limited (equity infusion/Investments in cash or in kind)	-	-	-	-	34.01	-	-	-	-	-	34.01	-
- Piramal Pharma II Private Limited (net of repayment of ₹ 62 Crores)	-	-	-	-	4.80	-	-	-	-	-	4.80	-
Total	-	-	-	-	**151.10**	**162.35**	-	-	-	-	**151.10**	**162.35**
Interest received on loans/ investments												
- Piramal Pharma II Private Limited	-	-	-	-	0.63	-	-	-	-	-	0.63	-
- Piramal Dutch Holdings N.V.	-	-	-	-	36.69	24.66	-	-	-	-	36.69	24.66
- PEL Pharma Inc.	-	-	-	-	12.74	0.16	-	-	-	-	12.74	0.16
Total	-	-	-	-	**50.06**	**24.82**	-	-	-	-	**50.06**	**24.82**

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

Notes to financial statements
for the year ended March 31, 2023

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

^ Guarantees transferred from PEL during this financial year

For business purposes

3. Compensation of key managerial personnel

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

(₹ in Crores)

Particulars	2023	2022
Short-term employee benefits	12.10	8.46
Post-employment benefits	1.10	0.72
Other long-term benefits	0.22	-
Commission and other benefits to non-executive/independent directors	2.02	0.72
Total	**15.44**	**9.90**

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

4. Balances of related parties.

(₹ in Crores)

Account Balances	Holding Company		Fellow Subsidiaries		Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Loans to Related Parties - Unsecured (at amortised cost)												
- Piramal Dutch Holding N.V.	-	-	-	-	751.05	691.05	-	-	-	-	751.05	691.05
- PEL Pharma Inc.	-	-	-	-	214.80	91.10	-	-	-	-	214.80	91.10
- Piramal Pharma II Private Limited	-	-	-	-	4.80	-	-	-	-	-	4.80	-
Total	-	-	-	-	**970.65**	**782.15**	-	-	-	-	**970.65**	**782.15**
Loans to Related Parties - Unsecured (Short term)												
- Piramal Dutch Holding N.V.	-	-	-	-	34.09	26.33	-	-	-	-	34.09	26.33
Total	-	-	-	-	**34.09**	**26.33**	-	-	-	-	**34.09**	**26.33**
Other receivable from related party												
- Piramal Healthcare UK Limited	-	-	-	-	0.39	0.09	-	-	-	-	0.39	0.09
- PEL Healthcare LLC	-	-	-	-	0.36	-	-	-	-	-	0.36	-
- Piramal Healthcare (Canada) Limited	-	-	-	-	0.16	-	-	-	-	-	0.16	-
- Piramal Critical Care BV	-	-	-	-	0.07	-	-	-	-	-	0.07	-
- Ash Stevens LLC	-	-	-	-	0.20	-	-	-	-	-	0.20	-
- Piramal Pharma Solutions Inc.	-	-	-	-	0.11	-	-	-	-	-	0.11	-
- Piramal Critical Care Deutschland GmbH	-	-	-	-	0.05	-	-	-	-	-	0.05	-
- Piramal Alternatives Private Limited (erstwhile known as "Piramal Asset Management Private Limited")	-	-	-	0.43	-	-	-	-	-	-	-	0.43
- Piramal Capital and Housing Finance Limited	-	-	-	0.20	-	-	-	-	-	-	-	0.20
- PGP Glass Private Limited	-	-	-	-	-	-	-	-	-	0.06	-	0.06
- PEL	-	11.67	-	-	-	-	-	-	-	-	-	11.67
Total	-	**11.67**	-	**0.63**	**1.34**	**0.09**	-	-	-	**0.06**	**1.34**	**12.45**
Trade Receivables												
- Piramal Healthcare UK Limited	-	-	-	-	36.58	35.52	-	-	-	-	36.58	35.52
- Piramal Critical Care Inc.	-	-	-	-	27.48	8.65	-	-	-	-	27.48	8.65
- Piramal Critical Care BV	-	-	-	-	17.01	0.85	-	-	-	-	17.01	0.85
- Piramal Healthcare (Canada) Limited	-	-	-	-	0.62	2.63	-	-	-	-	0.62	2.63
- PEL	-	341.69	-	-	-	-	-	-	-	-	-	341.69
- Allergan	-	-	-	-	-	-	11.95	10.15	-	-	11.95	10.15
- Ash Stevens LLC	-	-	-	-	6.79	-	-	-	-	-	6.79	-
- Piramal Pharma Solutions (Dutch) BV	-	-	-	-	1.59	-	-	-	-	-	1.59	-
Total	-	**341.69**	-	-	**90.07**	**47.65**	**11.95**	**10.15**	-	-	**102.02**	**399.49**

Notes to financial statements
for the year ended March 31, 2023

(₹ in Crores)

Account Balances	Holding Company		Fellow Subsidiaries		Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Advance to Vendor												
- Piramal Critical Care Inc.	-	-	-	-	-	0.28	-	-	-	-	-	0.28
Total	-	-	-	-	-	0.28	-	-	-	-	-	0.28
Advance from Customer												
- Piramal Healthcare UK Limited	-	-	-	-	3.56	-	-	-	-	-	3.56	-
Total	-	-	-	-	3.56	-	-	-	-	-	3.56	-
Trade Payable												
- Piramal Pharma Inc.	-	-	-	-	0.20	0.18	-	-	-	-	0.20	0.18
- Piramal Healthcare UK Limited	-	-	-	-	11.81	5.55	-	-	-	-	11.81	5.55
- Piramal Critical Care Inc.	-	-	-	-	46.47	19.45	-	-	-	-	46.47	19.45
- PCSL	-	-	-	-	-	-	-	-	-	7.10	-	7.10
- Piramal Critical Care BV	-	-	-	-	-	0.98	-	-	-	-	-	0.98
- Piramal Healthcare (Canada) Limited	-	-	-	-	0.04	-	-	-	-	-	0.04	-
- Piramal Pharma Solutions Inc.	-	-	-	-	0.04	0.04	-	-	-	-	0.04	0.04
- Piramal Healthcare Inc.	-	-	-	-	-	0.02	-	-	-	-	-	0.02
- PEL Pharma Inc.	-	-	-	-	-	*	-	-	-	-	-	*
- PEL	-	76.11	-	-	-	-	-	-	-	-	-	76.11
- Ash Stevens LLC	-	-	-	-	9.06	6.99	-	-	-	-	9.06	6.99
Total	-	76.11	-	-	67.62	33.21	-	-	-	7.10	67.62	116.42
Other Payable												
- PEL	-	0.01	-	-	-	-	-	-	-	-	-	0.01
- Piramal Critical Care Inc.	-	-	-	-	2.28	-	-	-	-	-	2.28	-
Total	-	0.01	-	-	2.28	-	-	-	-	-	2.28	0.01
Guarantee Commission Receivable												
- Piramal Healthcare UK Limited	-	-	-	-	0.40	0.20	-	-	-	-	0.40	0.20
- Piramal Critical Care Limited	-	-	-	-	1.03	0.17	-	-	-	-	1.03	0.17
- Piramal Dutch Holding N.V.	-	-	-	-	0.58	-	-	-	-	-	0.58	-
- Piramal Critical Care Inc.	-	-	-	-	1.85	-	-	-	-	-	1.85	-
- PEL Pharma Inc.	-	-	-	-	0.33	-	-	-	-	-	0.33	-
- Piramal Pharma Solutions Inc.	-	-	-	-	0.04	-	-	-	-	-	0.04	-
Total	-	-	-	-	4.23	0.37	-	-	-	-	4.23	0.37
Guarantees Outstanding - Corporate #												
- Piramal Critical Care Inc.	-	-	-	-	1,996.85	-	-	-	-	-	1,996.85	-
- Piramal Critical Care Limited	-	-	-	-	1,069.92	54.20	-	-	-	-	1,069.92	54.20
- Piramal Dutch Holdings N.V.	-	-	-	-	615.49	-	-	-	-	-	615.49	-
- PEL Pharma Inc.	-	-	-	-	351.71	-	-	-	-	-	351.71	-
Total	-	-	-	-	4,033.97	54.20	-	-	-	-	4,033.97	54.20
Contingent Liabilities												
Performance Guarantees #												
- Piramal Healthcare UK Limited	-	-	-	-	519.47	454.79	-	-	-	-	519.47	454.79
- Piramal Pharma Solutions Inc.	-	-	-	-	540.32	-	-	-	-	-	540.32	-
Total	-	-	-	-	1,059.79	454.79	-	-	-	-	1,059.79	454.79

* Amounts below rounding off norms adopted by Company

For business purposes

39 In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same Annual Report and therefore, no separate disclosure on segment information is given in these financial statements.

40 Plant & Equipment, Brands and Trademarks, and Current Assets are mortgaged/hypothecated to the extent of ₹ 1819.93 Crores (As on March 31, 2022 ₹ 1342.26 Crores,As on March 31, 2021 ₹ 90.02 Crores) as a security against secured borrowings as at March 31, 2023.

Notes to financial statements
for the year ended March 31, 2023

(₹ in Crores)

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Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Miscellaneous Expenses in Note 33 includes Auditors' Remuneration in respect of:		
A) Statutory Auditors:		
a) Audit Fees	1.00	0.90
b) Other Services	0.63	0.60
c) Out of Pocket Expenses	*	-

* Amounts are below the rounding off norm adopted by the Company.

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount outstanding to suppliers registered under the MSMED act and remaining unpaid as at year end	32.52	49.45
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.16	0.04
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	207.26	163.56
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act, for Payments already made	4.40	1.62
The amount of interest accrued and remaining unpaid at the end of accounting year	4.56	5.33

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

43 The Company has advanced loans to its subsidiary companies for business purposes.

Principal amounts outstanding as at the year end were:

(₹ in Crores)

Subsidiary Companies	As at March 31, 2023	As at March 31, 2022
Piramal Dutch Holdings N.V.	741.00	684.64
PEL Pharma Inc	212.85	90.96
Piramal Pharma II Private Limited	4.80	-

The coupon rates for the above loans are 4% to 9% per annum (Previous Year : 4% to 6% per annum). Terms of repayment ranges from 3 to 5 years from the date of agreement (Previous Year : 3 years).

The maximum amounts due during the year were:

(₹ in Crores)

Subsidiary Companies	For the year ended March 31, 2023	For the year ended March 31, 2022
Piramal Dutch Holdings N.V.	745.46	684.64
PEL Pharma Inc	292.86	91.41
Piramal Pharma II Private Limited	49.90	-

Notes to financial statements
for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Profit/ (Loss) after tax (₹ in Crores)	69.50	367.54
2. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	1,19,01,33,338	1,17,88,85,044
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	1,19,01,33,338	1,17,88,85,044
4. Earnings Per Share- Basic attributable to Equity Shareholders (₹) (1/2)	0.58	3.12
5. Earnings Per Share- Diluted attributable to Equity Shareholders (₹)	0.58	3.12
6. Face value per share (₹)	10.00	10.00

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

45 (i) Amounts recognised in the Balance Sheet:

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

Movement during year ended March 31, 2023

(₹ in Crores)

Category of Asset	Opening as on April 1, 2022	Acquired on account of demerger (refer note 51)	Additions during 2022-23	Deductions during 2022-23	Amortisation for the year ended March 31,2023	Closing as on March 31, 2023
Building	8.56	5.40	8.43	1.01	3.40	17.98
Leasehold Land	81.82	19.79	2.86	-	2.06	102.41
Property, Plant and Equipment	0.74	-	2.03	-	0.66	2.11
Total	91.12	25.19	13.32	1.01	6.12	122.50

Lease liabilities as on March 31, 2023 21.87

Right-of-use assets

Movement during year ended March 31, 2022

(₹ in Crores)

Category of Asset	Opening as on April 1, 2021	Acquired on Amalgamation of CCPL and HPPL	Additions during 2021-22	Deductions during 2021-22	Amortisation for the year ended March 31,2022	Closing as on March 31, 2022
Building	8.18	-	3.07	0.93	1.76	8.56
Leasehold Land	5.27	70.81	6.18	-	0.44	81.82
Property, Plant and Equipment	-	0.65	0.55	-	0.46	0.74
Total	13.45	71.46	9.80	0.93	2.66	91.12

Lease liabilities as on March 31, 2022 10.69

Notes to financial statements
for the year ended March 31, 2023

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

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

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities (included in finance cost)	1.61	1.00
Expense relating to short-term leases (included in Other Expenses)	13.12	9.61

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2022 is 8.91%. (Previous year-8.91%)

The bifurcation below provides details regarding the contractual maturities of lease liabilities as of March 31, 2023 and March 31, 2022 on an undiscounted basis:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	6.20	3.49
1-3 years	11.05	6.35
3-5 years	3.84	2.50
More than 5 years	7.04	0.19

46 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in note 17 & 21 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term / short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity	5,261.79	5,123.12
Total Equity	5,261.79	5,123.12
Borrowings- Non Current	592.34	477.12
Borrowings- Current	1,034.94	676.66
Total Debt	1,627.28	1,153.78
Cash & Cash equivalents	(54.28)	(127.69)
Net Debt	1,573.00	1,026.09
Debt/Equity Ratio	0.30	0.20

The terms of the secured borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Consolidated Net Debt to Consolidated Net Worth, Consolidated Net Debt to Consolidated EBITDA, Debt Service Coverage Ratio at Standalone level, Security Cover ratio. The Company has breached two financial covenants as on the balance sheet date. However, the Company has received a waiver from the lender subsequent to the balance sheet date and before the approval of financial statements.

Notes to financial statements
for the year ended March 31, 2023

47 Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. The Senior Management along with a centralized treasury manages the liquidity and interest rate risk on the balance sheet.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk- Interest rate	Long-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk- Securities price risks	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk- Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Market risk- Interest rate	Short-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Credit risk	Trade receivables, investments and loans to related parties	The Senior Management assess the recoverability of investments and loans given to related parties on periodic basis and considered these balances good and fully recoverable. Refer note-9 for trade receivables
Credit risk	Cash and cash equivalents, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Senior Management along with centralized treasury is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Undrawn credit lines	17.95	212.19
	17.95	212.19

This includes Short Term Borrowings limits including but not limited to Working Capital Demand Loans, Packing Credits, Letter of Credits, etc. where credit rating has been obtained and which can be issued, if required, within a short period of time.

Notes to financial statements
for the year ended March 31, 2023

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

(₹ in Crores)

Maturities of Financial Liabilities	March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	1,083.19	582.89	91.94	-
Trade Payables	761.67	-	-	-
Lease liability	6.20	11.05	3.84	7.04
Other Financial Liabilities	65.22	-	-	-
	1,916.28	593.94	95.78	7.04

(₹ in Crores)

Maturities of Financial Liabilities	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	742.33	524.49	13.28	3.07
Trade Payables	646.80	-	-	-
Lease liability	3.49	6.35	2.50	0.19
Other Financial Liabilities	153.25	-	-	-
	1,545.87	530.84	15.78	3.26

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(₹ in Crores)

Maturities of Financial Assets	March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Loans to related parties	53.95	996.83	5.36	-
Trade Receivables	952.96	-	-	-
Other Financial Assets	25.38	-	-	17.86
	1,032.29	996.83	5.36	17.86

(₹ in Crores)

Maturities of Financial Assets	March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Loans to related parties	81.58	815.34	-	-
Trade Receivables	1,016.62	-	-	-
Other Financial Assets	27.08	-	-	14.95
	1,125.28	815.34	-	14.95

In assessing whether the going concern assumption is appropriate, the Company has considered a range of factors relating to current and expected profitability, debt repayment schedule and potential sources of replacement financing. The Company has performed sensitivity analysis on such factors considered and based on current indicators of future economic conditions; there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as on March 31, 2023.

b. Interest Rate Risk Management

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Senior Management along with centralised treasury assess the interest rate risk run by it and provide appropriate guidelines to the treasury to manage the risk. The Senior Management along with centralised treasury reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The Senior Management along with centralised treasury reviews the interest rate gap statement and the interest rate sensitivity analysis.

Notes to financial statements
for the year ended March 31, 2023

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	1,505.74	942.26
Fixed rate borrowings	100.00	200.00
	1,605.74	1,142.26

The sensitivity analysis below have been determined based on the exposure to interest rates for liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

If interest rates related to borrowings had been 100 basis points higher / lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2023 would decrease/increase by ₹ 15.06 Crores for total borrowings (Previous year ₹ 8.90 Crores) . This is attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates related to loans given had been 100 basis points higher/lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2023 would increase/decrease by ₹9.59 Crores (Previous year ₹ 8.48 Crores). This is attributable to the Company's exposure to lendings at floating interest rates (refer note 43 for loan balances)

c. Foreign Currency Risk Management

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

a) Derivatives outstanding as at the reporting date

Firm commitment and highly probable forecast transaction	As at March 31, 2023		As at March 31, 2022	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Forward contracts to sell USD / INR	105.00	873.54	139.96	1,082.74

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

Currencies	As at March 31, 2023		As at March 31, 2022	
	Trade receivables net of advance from customer		Trade receivables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
AUD	0.53	2.90	0.43	2.43
CAD	7.39	44.80	7.30	44.15
EUR	3.32	29.73	5.12	43.20
GBP	0.99	10.02	0.78	7.71
SGD	-	-	0.08	0.43
USD	59.81	491.50	56.28	426.67

Currencies	As at March 31, 2023		As at March 31, 2022	
	Trade payables/(advance to supplier)		Trade payables/(advance to supplier)	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
AUD	0.00	0.02	*	0.02
CAD	(0.00)	(0.02)	*	(0.01)
CHF	0.00	0.03	0.15	1.25
EUR	0.15	1.33	0.26	2.21
GBP	0.80	8.09	0.20	1.94
THB	0.78	0.19	0.43	0.10
SEK	0.03	0.02	0.03	0.02
USD	23.06	189.48	14.57	110.44
NZD	(0.00)	(0.00)	0.03	*
JPY	(1.03)	(0.06)	4.16	0.26
SGD	0.00	0.00	*	*
AED	0.07	0.15	0.07	0.14

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

Currencies	As at March 31, 2023		As at March 31, 2022	
	Lease Liability		Lease Liability	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	0.09	0.74	0.09	0.68

Currencies	As at March 31, 2023			
	Loan & Interest Receivable from Related Parties		Current Account Balances Receivable / (Payable)	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	119.07	978.44	0.04	0.30
GBP	2.10	21.36	-	-
RUB	-	-	9.10	1.00
RMB	-	-	0.02	0.02

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

c) Sensitivity Analysis:

Of the above, the Company is mainly exposed to USD, CAD & EUR (Previous year- USD,GBP & EUR) Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Particulars		For the year ended March 31, 2023			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in ₹)	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year (in ₹ Crores)
USD	Increase by 5%**	178.88	23.15	4.11	63.99
USD	Decrease by 5%**	178.88	23.15	(4.11)	(63.99)
CAD	Increase by 5%**	7.38	(0.00)	3.03	2.24
CAD	Decrease by 5%**	7.38	(0.00)	(3.03)	(2.24)
EUR	Increase by 5%**	3.32	0.15	4.47	1.42
EUR	Decrease by 5%**	3.32	0.15	(4.47)	(1.42)

Notes to financial statements
for the year ended March 31, 2023

Particulars		For the year ended March 31, 2022			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in ₹)	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year (in ₹ Crores)
USD	Increase by 5%**	159.30	14.66	3.79	54.82
USD	Decrease by 5%**	159.30	14.66	(3.79)	(54.82)
GBP	Increase by 5%**	2.78	0.20	4.97	1.28
GBP	Decrease by 5%**	2.78	0.20	(4.97)	(1.28)
EUR	Increase by 5%**	5.12	0.26	4.21	2.05
EUR	Decrease by 5%**	5.12	0.26	(4.21)	(2.05)

** Holding all the other variables constant

d. Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

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

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

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

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

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

Notes to financial statements
for the year ended March 31, 2023

(i) The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended March 31, 2023 and 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.	Highly probable forecast sales	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

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

As at March 31, 2023

(₹ in Crores)

Particulars	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	10.50 (USD)	-	0.97	(77.14)	-	Not applicable	61.36	Revenue

As at March 31, 2022

(₹ in Crores)

Particulars	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

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

Particulars	As at March 31, 2023			
	Total	Less than 1 year	1-5 years	Over 5 years
Foreign currency risk:				
Forward exchange contracts	10.50 (USD)	10.50 (USD)	-	-
Average INR:USD forward contract rate	83.11	83.11	-	-

Particulars	As at March 31, 2022			
	Total	Less than 1 year	1-5 years	Over 5 years
Foreign currency risk:				
Forward exchange contracts	13.00 (USD)	13.00 (USD)	-	-
Average INR:USD forward contract rate	77.87	77.87	-	-

Notes to financial statements
for the year ended March 31, 2023

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

(₹ in Crores)

Movement in Cash flow hedge reserve for the year ended	31 March 2023 Gain/(Loss)	31 March 2022 Gain/(Loss)
Opening Balance	12.09	5.73
Acquired on merger pursuant to the Composite Scheme of Arrangement (Refer Note 51i)	-	0.15
Effective portion of changes in fair value:		
Foreign exchange forward contracts	(103.09)	0.71
Tax on movements on reserves during the year	25.95	(0.18)
Amount reclassified to profit or loss:		
Foreign exchange forward contracts	82.01	7.68
Tax on movements on reserves during the year	(20.64)	(2.00)
Closing balance as at the end of the year	**(3.69)**	**12.09**

48 The Company conducts research and development to find new sustainable chemical routes for pharmaceutical products. The Company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients (API).

The Company has research and development centers in Mumbai, Ennore, Ahmedabad and Thane.

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore ,Ahmedabad and Thane for the year are as follows:

(₹ in Crores)

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue Expenditure*	153.03	140.06
Total	**153.03**	**140.06**
Capital Expenditure, Net		
Additions to Property Plant & Equipment	29.20	7.25
Additions to Intangibles under Development	8.69	8.74
Total	**37.89**	**15.99**

*The amount included in Note 33 under R&D Expenses (net) does not include ₹115.28 Crs. (Previous year-₹86.82 Crores) relating to Ahmedabad locations.

49 Income taxes relating to operations

a) Tax expense recognised in the statement of profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
In respect of the current year	26.31	110.82
In respect of prior year	12.46	-
	38.77	110.82
Deferred tax :		
In respect of the current year	15.42	(16.03)
	15.42	(16.03)
Total tax expense recognised	**54.19**	**94.79**

Notes to financial statements
for the year ended March 31, 2023

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

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :	-	-
Deferred tax :		
Fair value Remeasurement of hedging instruments entered into for cash flow hedges	5.31	(2.09)
Remeasurement of defined benefit obligation	0.87	(0.11)
Total tax expense recognised	**6.18**	**(2.20)**

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	29.42	12.37
Deferred tax liabilities	(223.57)	(183.73)
	(194.15)	(171.36)

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

d) Movement of Deferred Tax during the year ended March 31, 2023

(₹ in Crores)

Particulars	Opening Balance	Acquisition under business combination (Refer note 51)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Expected Credit Loss on Trade Receivables	0.99	-	9.94	-	10.93
Fair value measurement of derivative contracts	(1.65)	-	(3.53)	5.31	0.13
Recognition of lease rent expense	(3.90)	(3.72)	(2.82)	-	(10.44)
Property, Plant and Equipment and Intangible Assets	(177.46)	(9.84)	(25.83)	-	(213.13)
Debt EIR impact	(0.72)	-	1.77	-	1.05
Expenses that are allowed on payment basis	9.44	-	5.14	-	14.58
Remeasurement of defined benefit obligation	1.25	-	-	0.87	2.12
Others	0.69	-	(0.09)	-	0.61
Total	**(171.36)**	**(13.56)**	**(15.42)**	**6.18**	**(194.15)**

Notes to financial statements
for the year ended March 31, 2023

Movement of Deferred Tax during the year ended March 31, 2022

(₹ in Crores)

Particulars	Opening Balance	Acquisition under business combination (Refer note 51)	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Expected Credit Loss on Trade Receivables	0.24	-	0.75	-	0.99
Fair value measurement of derivative contracts	(4.30)	0.02	4.72	(2.09)	(1.65)
Recognition of lease rent expense	0.07	(4.04)	0.07	-	(3.90)
Property, Plant and Equipment and Intangible Assets	(167.25)	(10.97)	0.76	-	(177.46)
Debt EIR impact	-	(0.14)	(0.58)	-	(0.72)
Expenses that are allowed on payment basis	-	-	9.44	-	9.44
Remeasurement of defined benefit obligation	0.82	0.54	-	(0.11)	1.25
Others	-	(0.18)	0.87	-	0.69
Total	**(170.42)**	**(14.77)**	**16.03**	**(2.20)**	**(171.36)**

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

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	123.69	462.33
Income tax expense calculated at 25.17%	31.13	116.37
Effect of expenses that are not deductible in determining taxable profit	4.72	5.31
Dividend paid recognised as income in tax books-Refer Note B of SOCIE	13.49	-
Expense reversed in books, earlier disallowed in tax	(2.01)	-
Prior year tax on account of 80M deduction	7.74	-
Effect of income which are exempt from tax	-	(22.82)
Others	(0.88)	(4.07)
Income tax expense recognised in statement of profit and loss	**54.19**	**94.79**

50 Fair Value Measurement

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

(₹ in Crores)

Particulars	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments	100.16	-	37.05	-
Loans	-	1,004.74	-	808.48
Cash & Bank Balances	-	64.16	-	137.23
Trade Receivables	-	909.56	-	989.22
Other Financial Assets	-	43.24	7.47	34.56
	100.16	2,021.70	44.52	1,969.49
Financial liabilities				
Borrowings	-	1,627.28	-	1,153.78
Trade Payables	-	761.67	-	646.80
Lease Liabilities	-	21.87	-	10.69
Other Financial Liabilities	0.97	64.25	-	153.25
	0.97	2,475.07	-	1,964.52

The Company considers that carrying amounts of financial assets and financial liabilities disclosed above approximate their fair values.

Notes to financial statements
for the year ended March 31, 2023

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.

(₹ in Crores)

Financial Assets	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investment in Mutual Funds	i.	100.16	100.16	-	-	100.16

(₹ in Crores)

Financial Assets	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investment in Mutual Funds	i.	37.05	37.05	-	-	37.05
Other Financial Assets						
Derivative Financial Assets	ii.	7.47	-	7.47	-	7.47

(₹ in Crores)

Financial Assets	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Other Financial Liabilities						
Derivative Financial Liabilities	ii.	0.97	-	0.97	-	0.97
Measured at Amortised Cost for which fair values are disclosed						
Borrowings	iii	1,627.28	-	-	1,628.11	1,628.11

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/liabilities 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 and mutual funds that have quoted price. The fair value of all equity instruments 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-thecounter 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, Term loan, Debentures included in level 3.

Notes to financial statements
for the year ended March 31, 2023

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.

51 Composite scheme of arrangement

i. 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) in accordance with Ind-AS 103 'Business Combination', cancellation of 94,72,49,806 (nos.) equity shares of face value of ₹ 10 each issued to PEL and fresh issuance of 95,46,54,800 (nos.) equity shares of face value of ₹ 10 each to the shareholders of PEL, and elimination of inter-company transactions, (including dividend) for the interim period (i.e. from appointed date to approval date).This transaction has been accounted wef April 1,2022

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. Subsequently, 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).

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

Particulars	₹ in Crores
Assets	
Property, Plant and Equipment	73.34
Capital work in progress	3.50
Right of use assets	25.19
Other Non-current Financial Assets	2.65
Inventory	212.91
Trade Receivables	134.46
Other current Financial Assets	55.78
Other current Assets	78.68
Total Assets	**586.51**
Liabilities	
Trade payable	459.18
Deferred tax liability	13.56
Lease Liability	5.68
Other current financial liabilities	4.59
Other current liabilities	2.78
Non-current Provisions	2.16
Current Provisions	5.05
Total Liabilities	**493.00**
Net identifiable assets acquired	**93.51**

Notes to financial statements
for the year ended March 31, 2023

Calculation of goodwill

Particulars	₹ in Crores
Consideration	100.93
Less: Net identifiable assets acquired	93.51
Goodwill	**7.42**

Credit/Charge to P&L

Cost in relation to merger of pharma division of ₹6.96 Crores were charged to Statement of Profit and Loss for the year ended March 31, 2023 under the head - Exceptional items.

Revenue and profit contribution

It is impracticable to give revenue and profit contribution of demerged undertaking as it is not tracked separately post demerger.

Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	134.46
Gross contractual amount for trade receivables	134.46
Contractual cash flows not expected to be collected	-

(ii) During the previous year ended March 31,2022, the effect of amalgamation of CCPL and HPPL was considered in financials.

Pursuant to the transaction stated in (b) above, the carrying amount of assets and liabilities of CCPL & HPPL have been recognised by the company wef April 1,2021 and June 22,2021 respectively as follows:

(₹ in Crores)

Entity / Particulars	CCPL	HPPL	Total
Assets			
Property, Plant and Equipment	163.02	36.13	199.15
Capital work in progress	0.14	0.11	0.25
Intangible assets	0.31	405.62	405.93
Goodwill	8.08	145.05	153.13
Intangible asset under development	-	197.87	197.87
Right of use assets	16.88	54.59	71.47
Investments	-	0.11	0.11
Other Non-current Assets	2.79	0.38	3.17
Inventory	14.64	26.34	40.98
Trade Receivables	17.48	20.44	37.92
Cash and cash equivalents	4.25	76.73	80.98
Other Bank balances	3.12	0.29	3.41
Loans	-	0.40	0.40
Other Financial Assets	0.29	0.44	0.73
Other current Assets	4.31	20.68	24.99
Deferred Tax Assets	-	0.95	0.95
Total Assets (A)	**235.31**	**986.13**	**1,221.44**
Liabilities			
Trade payable	7.65	63.94	71.59
Non current borrowings	34.77	-	34.77
Current borrowings	2.92	-	2.92
Deferred tax liability	15.72	-	15.72
Lease Liability	0.68	0.06	0.74
Other liabilities	-	0.03	0.03
Other financial liabilities	23.38	-	23.38
Other current liabilities	0.13	17.30	17.43
Current tax liabilities	2.16	1.57	3.73
Non-current Provisions	0.11	1.34	1.45
Current Provisions	0.90	0.43	1.33
Total Liabilities (B)	**88.42**	**84.67**	**173.09**
Net identifiable assets acquired (A-B)	**146.89**	**901.46**	**1,048.35**

Notes to financial statements
for the year ended March 31, 2023

52 Trade Receivables ageing(#)

As at March 31, 2023

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables :							
Considered Good	580.56	305.67	19.62	3.71	-	-	909.56
Considered doubtful	-	-	5.57	7.60	5.70	23.29	42.16
Disputed Trade Receivables :							
Considered doubtful	-	1.08	0.16	-	-	-	1.24
Total	580.56	306.75	25.33	11.31	5.70	23.29	952.96

As at March 31, 2022

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables :							
Considered Good	767.37	210.21	11.62	1.93	-	0.07	991.20
Considered doubtful	-	-	-	3.56	4.85	17.01	25.42
Total	767.37	210.21	11.62	5.49	4.85	17.08	1,016.62

53 Trade Payable Ageing

As at March 31, 2023

(₹ in Crores)

Financial Assets	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	24.42	7.63	0.22	0.01	0.24	32.52
(ii) Others	121.92	103.91	1.76	2.87	4.82	235.28
Total	146.34	111.54	1.98	2.88	5.06	267.80

As at March 31, 2022

(₹ in Crores)

Financial Assets	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	36.59	12.42	0.20	-	0.24	49.45
(ii) Others	135.14	137.05	2.22	1.48	3.55	279.44
Total	171.73	149.47	2.42	1.48	3.79	328.89

Accrued expenses amount to ₹ 493.87 Crores as at 31st March 2023 (As at 31st March 2022 - 317.91 Crores)

54 Ageing for Capital work in-progress (CWIP)

i. Ageing for Capital work in-progress (CWIP) as at March 31, 2023

(₹ in Crores)

Capital work in-progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	99.34	26.27	6.39	4.50	136.50

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

(₹ in Crores)

Capital work in-progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	116.21	25.65	15.47	0.14	157.47

Notes to financial statements
for the year ended March 31, 2023

ii. Project wise details of CWIP project whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2023

(₹ in Crores)

Capital work in-progress (CWIP)	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				
1. Project-0542	46.27	-	-	-
2. Project-0947	8.03	-	-	-
3. Project-1114	7.86	-	-	-
4. Project-0703	2.88	-	-	-
5. Project-1155	1.63	-	-	-
6. Project-1359	1.45	-	-	-
7. Project-1171	1.38	-	-	-
8. Project-1120	0.83	-	-	-
9. Project-0550	0.78	-	-	-
10. Others	4.38	-	-	-

As at March 31, 2022

(₹ in Crores)

Capital work in-progress (CWIP)	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				
1. Project-0542	64.11	-	-	-
2. Project-1257	6.53	-	-	-
3. Project-0947	2.69	-	-	-
4. Project-1009	2.44	-	-	-
5. Project-0507	2.17	-	-	-
6. Project-0703	2.05	-	-	-
7. Project-1406	1.60	-	-	-
8. Project-1171	1.38	-	-	-
9. Project-1114	1.26	-	-	-
10. Others	10.83	-	-	-

55 Ageing for Intangible Asset Under Development (IAUD)

i. Ageing for Intangible Assets under Development (IAUD) as at March 31, 2023

(₹ in Crores)

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
a. Projects in progress	35.11	208.79	8.55	27.62	280.07

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

(₹ in Crores)

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
a. Projects in progress	209.88	8.58	6.55	22.68	247.69

Notes to financial statements
for the year ended March 31, 2023

ii. Project wise details of IAUD project whose completion is overdue or has exceeded its cost compared to its original plan.

As at March 31, 2023

(₹ in Crores)

Intangible Assets under Development (IAUD)	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				
1. Project-0650	2.07	-	-	-
2. Project-1295	1.84	-	-	-
3. Project-1313	1.33	-	-	-
4. Project-1160	0.48	-	-	-
5. Project-1155	0.40	-	-	-
6. Others	0.93	-	-	-

As at March 31, 2022

(₹ in Crores)

Intangible Assets under Development (IAUD)	To be completed in			
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years
Projects in progress				
1. Project-0650	-	2.30	-	-
2. Project-013	0.53	-	-	-
3. Project-0473	0.35	-	-	-
4. Project-1345	0.20	-	-	-
5. Project-1174	0.20	-	-	-
6. Others	0.99	-	-	-

56 Ratios

The ratios for the year ended March 31,2023 and March 31,2022 are as follows:

Sr No.	Particulars	Numerator	Denominator	For the year Ended March 31,2023	For the year Ended March 31,2022	Variance
				Audited	Audited	
i	Current Ratio	Current Assets	Current Liabilities	1.20	1.34	-10.8%
ii	Debt Equity Ratio*	Total Debt	Total Equity	0.31	0.23	37.6%
iii	Debt Service Coverage Ratio*	Profit before Interest, Tax and Exceptional items	Interest Expense on long term debt+ Principal Repayment of long term Debt	1.02	8.21	-87.6%
iv	Return on Equity	Net Profit after tax	Average Shareholders Equity	1.3%	8.0%	-6.7%
v	Inventory Turnover Ratio	Cost of goods sold	Average inventory	139.74	113.49	23.1%
vi	Trade Receivables Turnover Ratio	Sales of Products and Services	Average Trade Receivable	103.45	103.70	-0.2%
vii	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	140.64	136.14	3.3%
viii	Net capital turnover Ratio	Sales of Products and Services	Working Capital (1)	2.34	2.64	-11.1%
ix	Net profit Ratio	Profit after tax before exceptional items	Revenue from operations	2.2%	11.5%	-9.2%
x	Return on Capital Employed	Earnings Before Interest and Taxes	Capital Employed (2)	2.8%	8.7%	-5.9%
xi	Return on Investment	Income generated from investments	Closing Investment	5.1%	5.7%	-0.6%

* The variance is due to increase in borrowings during the current year.

Notes to financial statements
for the year ended March 31, 2023

(1) Working Capital excludes current borrowings

(2) Tangible Net Worth + Total Debt + Deferred Tax Liability= Capital Employed

Note: The above ratios are not comparable as figures for the year ended March 31, 2023 has an effect of acquisition of assets from PEL.

57 The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

58 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

59 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

60 The Company has not traded or invested in crypto currency.

61 There are no material discrepancies between amount of current assets submitted to banks and financial institutions in quarterly returns and amount as per books of accounts.

62 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

63 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

64 The Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

(₹ in Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2023
Aquamax Hydrosytems Private Ltd	Receivable	*
BA Tec Services Pvt Ltd	Payable	*
EMS Networks Pvt Ltd	Payable	*
Epic Attires Private Limited	Payable	*
Secureplus Allied Private Limited	Payable	0.04
Waaree Retails LLP	Receivable	*
Welink Smo India Private Limited	Payable	*
Winsel Marketing Pvt. Ltd.	Payable	*
DRK Enterprise	Receivable	0.03
Manish Petro Chem Pvt Ltd	Payable	*
Micro Pathology Services P Ltd	Receivable	*
Mommymia Dream World Pvt Ltd	Payable	*
Nitin Polymers Pvt Ltd	Payable	*
Oracle Biotech (India) Private Ltd	Payable	*
Orbit Medi Soultion'S Pvt. Ltd.,	Payable	*
Qual Pharma Health Solutions Pvt Lt	Payable	*
Rama Comprint Pvt Ltd	Receivable	*
Suguna Poultry Farm Ltd	Payable	*
Suruchi Foods Limited	Payable	*
Transworld Pharma Private Ltd.	Payable	*

Notes to financial statements
for the year ended March 31, 2023

(₹ in Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022
Central Agency & Services Private Limited	Receivables	0.01
Welink Smo India Private Limited	Payable	*
EMS Networks Pvt Ltd	Payable	*
Secureplus Allied Private Limited	Payable	0.03
Apex Associates Private Limited	Payable	*
Epic Attires Private Limited	Payable	*
Graphite India Limited	Payable	*

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

These are not related parties under Section 2(76) of the Companies Act, 2013

65 As per MCA notification dated August 05,2022, the Central Government has notified that Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the companies are required to maintain back up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the companies are required to create back up on servers physically located in India on a daily basis.

The Turbhe Site (a business merged during the year) is maintaining the books of account in electronic mode. The site was taking a backup on a work day basis instead of daily basis. To comply with this requirement, the site has started taking daily backup subsequent to the balance sheet date.

66 Goodwill

Movement in Goodwill during the year:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	153.13	-
Add: Addition due to acquisition during the year (Refer note 51)	7.42	153.13
Closing balance	**160.55**	**153.13**

.The above goodwill relates to acquisition of Hemmo Pharmaceuticals Private Limited of Rs.145.05 Crs (Previous year - Rs. 145.05 Crores), Convergence Chemicals Private Limited of Rs. 8.08 Crores (Previous year - Rs. 8.08 crores) and pharma business of Piramal Enterprises Limited (demerged undertaking as defined in the scheme) of Rs.7.42 Crores (Previous year - Nil).

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

Notes to financial statements
for the year ended March 31, 2023

The recoverable amount being fair value was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 12.4% to 15% respectively . The cash flows beyond 5 years have been extrapolated assuming growth rate of 3.4%-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, 2023 as the recoverable value of the segments exceeded the carrying values.

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

Signature to note 1 to 67 of financial statements.

For and on behalf of the Board of Directors

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

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

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

Form AOC 1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATES

Part "A": Subsidiaries

Name of the Subsidiary Company	Piramal Critical Care Deutschland GmbH	Piramal Critical Care Italia S.P.A.	Piramal Critical Care Limited	Piramal Healthcare (Canada) Limited	Piramal Healthcare UK Limited	Piramal Healthcare Pension Trustees Limited	Piramal Critical Care South Africa (Pty) Ltd	Piramal Dutch Holdings N.V.	Piramal Healthcare Inc.	Piramal Critical Care Inc.	Piramal Pharma Inc.	Piramal Pharma Solutions Inc.	PEL Pharma Inc.	Ash Stevens LLC	Piramal Critical Care B.V. **	Piramal Critical Care Pty Limited	PEL Healthcare LLC	Piramal Pharma Solutions (Dutch) B.V.	Piramal Pharma Japan GK
Reporting period for the subsidiary	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	December 31, 2022*	March 31, 2023*	December 31, 2022*	March 31, 2023*
Reporting currency	EUR	EUR	USD	CAD	GBP	GBP	ZAR	USD	USD	USD	USD	USD	USD	USD	EUR	AUD	USD	EUR	YEN
Average rate	82.26	82.26	79.77	60.76	95.69	95.69	4.78	79.77	79.77	79.77	79.77	79.77	79.77	79.77	82.26	54.62	80.40	82.26	0.60
Closing rate	88.24	88.24	82.73	61.08	99.57	99.57	4.87	82.73	82.73	82.73	82.73	82.73	82.73	82.73	88.24	56.21	82.18	88.24	0.62
Share capital (Including Additional Paid In Capital)	55.48	22.06	98.49	197.80	231.33	#	4.75	1,875.14	2,249.35	143.43	69.25	118.59	83.14	370.55	8.82	2.81	143.90	-	0.62
Reserves & Surplus	(47.07)	(3.14)	(114.55)	528.77	398.61	-	3.70	245.00	(590.03)	856.82	(54.53)	(745.22)	(170.32)	298.60	(75.56)	0.29	(123.42)	2.66	(0.34)
Total assets	35.33	68.60	1,165.83	900.37	1,511.23	#	26.92	3,432.70	1,701.60	2,803.57	69.95	489.36	1,127.81	876.60	235.49	3.88	287.10	4.67	0.36
Total liabilities	26.92	49.68	1,181.89	173.79	881.28	-	18.47	1,312.57	42.28	1,803.32	55.24	1,115.99	1,214.99	207.45	302.23	0.78	266.60	2.01	0.08
Investments	-	-	8.95	-	-	-	-	-	221.21	-	-	-	591.54	-	16.19	-	0.21	-	-
Turnover	47.60	99.20	282.18	357.15	781.35	-	37.89	-	35.69	1,563.24	-	183.29	17.24	439.55	153.21	2.05	193.13	68.99	0.00
Profit/ (Loss) before taxation	(9.96)	(3.75)	(105.79)	50.44	(43.15)	-	1.90	(65.35)	142.33	192.56	(0.43)	(136.00)	(31.04)	49.38	(39.26)	0.09	(70.31)	0.38	(0.21)
Provision for taxation - (income)/expense	-	-	(3.71)	14.94	0.82	-	0.53	-	(34.01)	44.70	0.08	0.25	0.02	-	-	0.03	-	-	0.00
Profit/ (Loss) after taxation	(9.96)	(3.75)	(102.08)	35.50	(43.97)	-	1.37	(65.35)	176.34	147.86	(0.51)	(136.25)	(31.05)	49.38	(39.26)	0.06	(70.31)	0.38	(0.21)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

amounts below rounding off norms adopted by the Group

For the purposes of the Consolidated Financial Statements included in this annual report, the accounts of the Company have been rolled forward to March 31, 2023. The details provided herein, however, are based on the statutory financial year.

1. Name of the subsidiaries which are yet to commence operations-
   Piramal Critical Care Single member P.C. (w.e.f. February 28, 2023)
2. Following are new subsidiaries during the year-
   Piramal Pharma II Private Limited (w.e.f. June 8, 2022)
   Piramal Critical Care Single Member P.C. (w.e.f. February 28, 2023)

Form AOC 1

Part "B": Associates

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

Name of the Associates	Allergan India Private Limited	Yapan Bio Private Limited
Latest Audited Balance Sheet Date	March 31, 2023	March 31, 2023
Shares of Associates held by the Company on the year end		
- Number	39,20,000	1,20,000
- Amount of Investment in Associate	3.92	122.08
- Extent of Holding %	49%	33.33%
Description of how there is significant influence	Based on shareholding	Based on shareholding
Reason why the associate is not consolidated	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted
Networth attributable to Shareholding as per latest audited Balance Sheet	**48.41**	**121.70**
Profit / Loss for the year		
i. Considered in Consolidation	54.13	0.20
ii. Not considered in Consolidation	Not Applicable	Not Applicable

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

Independent Auditor Report

To The Members of **Piramal Pharma Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Piramal Pharma Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income/(loss)), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Business Combination – Purchase Price Allocation on acquisition of Demerged Undertaking** "Refer to the accounting policies in Note 2 and Note 63(A)(i)(a) in the consolidated financial statements".	
	During the year, the Company has acquired the assets and liabilities of Demerged Undertaking (as defined in the Scheme) pursuant to 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'), as approved by the Hon'ble National Company Law Tribunal ("NCLT") vide order dated August 12, 2022. The aforesaid business combination has been given effect to, in the Company's financial statements, in line with the accounting principles prescribed for business combinations under Ind AS 103, Business Combinations, ('Ind AS 103') and other applicable Indian Accounting Standards. Ind AS 103 requires recognising acquired identifiable assets (including intangible assets) and liabilities of Demerged Undertaking at fair value in the Company's financial statements. Accounting for aforesaid acquisition included a number of significant and complex judgments and estimates for determination of the fair value of consideration and purchase price allocation of the acquired assets and liabilities. Given the judgements involved in the fair value measurements, this matter has been considered of most significance and hence, the same has been considered as a key audit matter in the current year audit.	Our procedures included the following: • Evaluated the design and tested the operating effectiveness of the controls over the accounting for business combination. • Read and obtained an understanding of the Composite Scheme of Arrangement approved by the National Company Law Tribunal; • Obtained and reviewed the external valuation report, considered by the Company for fair values of acquired assets and liabilities and verified the mathematical accuracy of such report; • Assessed the professional competence, experience and objectivity of the management's valuation experts involved. • Involved our valuation specialists in assessing the appropriateness of the valuation models and assumptions used in aforesaid valuation report prepared by management's expert; • Reviewed and challenged the reasonableness of key assumptions in purchase price allocation of the acquired assets and liabilities; Evaluated the adequacy of Company's financial statements, including disclosures of key assumptions and judgements made in the Company's financial statements in accordance with applicable accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Business Responsibility and Sustainability Report, Management Discussion and Analysis (MDA), Corporate Governance and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

(a) We did not audit the financial statements/financial information of thirteen subsidiaries, whose financial statements/financial information reflect total assets of Rs. 10,553.92 crores as at March 31, 2023, total revenues of Rs. 4,184.03 crores and net cash inflows amounting to Rs. 30.42 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the 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 subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of five subsidiaries, whose financial statements / financial information reflect total assets of Rs. 292.13 crores as at March 31, 2023, total revenues of Rs. 197.22 crores and net cash outflows amounting to Rs. 2.83 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 54.33 crore for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the 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 subsidiaries and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except for keeping backup on daily basis of books of account maintained in electronic mode, in a server physically located in India for the Turbhe Site (a business merged during the year) and Piramal Pharma II Private Limited (a subsidiary of "the Company"). (Refer Note 69 to the financial statements)

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Parent and its subsidiary company incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in the paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and a subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary company, being incorporated in India, the remuneration paid by the Parent and such subsidiary company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates; (Refer Note 26 to the consolidated financial statements)

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; (Refer Note 47 to the consolidated financial statements)

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 70 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 70 to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary company which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) (a) The Parent had declared and paid interim dividend in the previous year in accordance with Section 123 of the Companies Act.

(b) As stated in note 15 to the consolidated financial statements, the Parent, whose financial statements have been audited under the Act, have not declared or paid any interim dividend during the year and have not proposed any final dividend for the year.

vi) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditor of a subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the auditor in the CARO report of the said subsidiary company included in the consolidated financial statements.

vii) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiary and associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 23046930BGXRKO8790)

Place: Mumbai
Date: May 24, 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Piramal Pharma Limited (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 23046930BGXRKO8790)

Place: Mumbai
Date: May 24, 2023

Consolidated Balance Sheet
as at March 31, 2023

(₹ in Crores)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3	**3,363.04**	2,864.07
(b) Capital Work in Progress	55	**852.93**	673.15
(c) Goodwill	38	**1,107.51**	1,030.50
(d) Other Intangible Assets	3	**2,772.57**	2,806.09
(e) Intangible Assets under development	56	**565.65**	499.19
(f) Right Of Use Assets	52	**225.48**	178.52
(g) Financial Assets:			
(i) Investments			
- Investments accounted for using the equity method	4(a)	**170.11**	179.82
- Other Investments	4(b)	**41.76**	36.95
(ii) Other Non- Current Financial Assets	5	**21.55**	95.57
(h) Deferred tax assets (Net)	6	**349.30**	297.27
(i) Other non-current assets	7	**217.18**	68.69
Total Non-Current Assets		**9,687.08**	**8,729.82**
Current Assets			
(a) Inventories	8	**1,681.37**	1,388.80
(b) Financial Assets:			
(i) Investments	4(b)	**427.11**	50.40
(ii) Trade receivables	9 & 53	**1,799.34**	1,785.28
(iii) Cash & Cash equivalents	10	**195.59**	228.10
(iv) Bank balances other than (iii) above	11	**111.97**	100.89
(v) Other Current Financial Assets	12	**92.42**	50.85
(c) Other Current Assets	13	**527.68**	462.90
Total Current Assets		**4,835.48**	**4,067.22**
Total Assets		**14,522.56**	**12,797.04**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	**1,193.32**	1,185.91
(b) Other equity	15	**5,580.18**	5,510.69
Total equity		**6,773.50**	**6,696.60**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities:			
(i) Borrowings	16	**3,383.54**	2,622.14
(ii) Lease liability	52	**101.92**	86.20
(iii) Other Non-Current Financial Liabilities	17	**4.98**	0.40
(b) Provisions	18	**20.68**	12.59
(c) Deferred tax liabilities (Net)	19	**219.31**	192.01
(d) Other Non-Current Liabilities	20	**175.58**	153.76
Total Non-Current Liabilities		**3,906.01**	**3,067.10**
Current liabilities			
(a) Financial Liabilities:			
(i) Borrowings	21	**2,121.23**	1,401.14
(ii) Lease liability	52	**30.39**	18.44
(iii) Trade payables			
Total outstanding dues of Micro enterprises and small enterprises	54	**32.52**	49.45
Total outstanding dues of creditors other than Micro enterprises and small enterprises		**1,160.19**	976.90
(iv) Other Current Financial Liabilities	22	**227.05**	259.03
(b) Other Current Liabilities	23	**228.92**	222.91
(c) Provisions	24	**39.21**	33.81
(d) Current Tax Liabilities (Net)	25	**3.54**	71.66
Total Current Liabilities		**3,843.05**	**3,033.34**
Total Liabilities		**7,749.06**	**6,100.44**
Total Equity & Liabilities		**14,522.56**	**12,797.04**

The above Consolidated Balance Sheet should be read in conjuction with the accompanying notes 1 - 71

Summary of Significant Accounting Policies 2a

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Consolidated Statement of Profit and Loss
for the year ended March 31, 2023

(₹ in Crores)

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	27	**7,081.55**	6,559.10
Other Income (Net)	28	**225.11**	275.80
Total Income		**7,306.66**	**6,834.90**
EXPENSES			
Cost of materials consumed	29	**1,682.46**	1,566.96
Purchases of Stock-in-Trade	30	**952.20**	829.07
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	**68.64**	55.21
Employee benefits expense	32	**1,896.35**	1,588.83
Finance costs	33	**344.18**	198.25
Depreciation and amortization expense	3 & 52	**676.69**	586.18
Other expenses (Net)	34	**1,853.66**	1,569.37
Total Expenses		**7,474.18**	**6,393.87**
Profit/ (Loss) before share of net profit of associates, exceptional items and tax		**(167.52)**	**441.03**
Share of net profit of associates	4 (a)	**54.33**	59.03
Profit / (Loss) after share of net profit of associates before exceptional items and tax		**(113.19)**	**500.06**
Exceptional Items	35	**(6.96)**	(15.08)
Profit / (Loss) after share of net profit of associates and before tax		**(120.15)**	**484.98**
Less: Income Tax Expense			
Current Tax (including prior year taxes)	49	**110.40**	191.13
Deferred Tax Credit	49	**(44.09)**	(82.11)
Profit / (Loss) after tax		**(186.46)**	**375.96**
Other Comprehensive Income / (Loss) (OCI), net of tax expense:	36		
A. Items that will not be reclassified to profit or loss			
Remeasurement of Post Employment Benefit Obligations		**(3.44)**	0.40
Income Tax Impact on above		**0.87**	(0.07)
		(2.57)	**0.33**
B. Items that will be reclassified to profit or loss			
(a) Deferred gains / (losses) on cash flow hedge		**(20.75)**	8.39
(b) Exchange differences on translation of financial statements of foreign operations		**210.10**	97.58
Income Tax Impact on above		**(10.98)**	(7.56)
		178.37	**98.41**
Other Comprehensive Income/ (loss) (OCI) for the year, net of tax expense		**175.80**	**98.74**
Total Comprehensive Income/ (loss) for the year		**(10.66)**	**474.70**
Earnings per equity share (Basic) (₹) (Face value of ₹ 10/- each)	42	**(1.57)**	3.19
Earnings per equity share (Diluted) (₹) (Face value of ₹ 10/- each)	42	**(1.57)**	3.19

The above Consolidated Balance Sheet should be read in conjuction with the accompanying notes 1 - 71

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Consolidated Statement of Cash Flows
for the year ended March 31, 2023

(₹ in Crores)

	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before share of net profit of associates, exceptional items and tax	(167.52)	441.03
Adjustments for :		
- Depreciation and amortisation expense	640.96	559.71
- Amortisation of Right-of-use assets	35.73	26.47
- Provision written back	(49.00)	(60.13)
- Finance Costs considered separately	344.18	198.25
- Interest Income on Financial assets	(1.64)	(0.68)
- (Gain)/Loss on measurement of financial assets at FVTPL	(0.98)	(21.18)
- (Gain)/Loss on Sale of Property Plant and Equipment	0.48	0.54
- Write-down of Inventories	92.97	45.18
- Profit on Sale on Current Investment (Net)	(1.58)	(1.95)
- Expected Credit Loss on Trade Receivables	42.05	7.44
- Amortisation of grants & Other deferred income	(39.20)	(39.53)
- Unrealised foreign exchange loss	71.56	72.98
Operating Cash Flow Before Working Capital Changes	968.01	1,228.13
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	89.26	(185.17)
- Other Current Assets	13.90	(118.14)
- Other Non Current Assets	(136.76)	8.93
- Other Financial Assets- Non Current	76.68	(24.20)
- Inventories	(172.64)	(175.64)
- Other Financial Assets- Current	76.32	52.02
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	(264.69)	79.12
- Non- Current provisions	2.48	4.87
- Other Current Financial Liabilities	43.39	37.90
- Other Current Liabilities	0.70	17.39
- Current provisions	0.36	1.60
- Other Non-current Financial Liabilities	(2.36)	(6.28)
- Other Non-current Liabilities	(21.76)	15.31
Cash Generated from Operations	672.89	935.84
- Taxes Paid (Net of Refunds)	(189.00)	(169.42)
Net Cash Generated from Operating Activities	483.89	766.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(964.75)	(889.51)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	19.69	32.42
Purchase of Current Investments		
- in Mutual Funds	(1,209.13)	(1,451.52)
Proceeds from Sale of Current Investments:		
- in Mutual Funds	834.00	1,403.07
Purchase of Non Current Investments	-	(2.74)
Interest Received	-	0.68
Fixed deposits placed	(14.25)	(79.64)
Maturity of deposit	13.91	-
Dividend received (Net of TDS of ₹ 8.38 Crores {March 2022- ₹ 9.07 Crores})	75.41	81.59
Investment in Associate	(20.35)	(101.77)
Amount paid on acquisition of subsidiary	-	(790.74)
Transaction cost paid for acquisition of subsidiary	-	(13.94)
Contingent Consideration paid	(73.31)	-
Net Cash Used in Investing Activities	(1,338.78)	(1,812.10)

Consolidated Statement of Cash Flows
for the year ended March 31, 2023

(₹ in Crores)

	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Non- Current Borrowings		
- Receipts	2,562.81	903.83
- Payments	(1,721.53)	(237.95)
Proceeds from Current Borrowings		
- Receipts	1,821.86	1,349.72
- Payments	(1,464.72)	(996.47)
Lease payments		
- Principal	(35.51)	(30.43)
- Interest	(7.08)	(5.73)
Finance Costs Paid	(271.04)	(138.78)
Dividend Paid	(67.00)	(50.00)
Net Cash Generated from Financing Activities	817.79	794.19
Net Increase/ (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	(37.10)	(251.49)
Cash and Cash Equivalents as at March 31, 2022 and March 31, 2021 respectively	85.18	261.97
Add: Effect of exchange fluctuation on cash and cash equivalents	5.15	(2.04)
Add: Cash balance acquired	-	76.74
Cash and Cash Equivalents as at March 31, 2023 and March 31, 2022 respectively	53.23	85.18
Cash and Cash Equivalents Comprise of :		
Cash on Hand	2.21	0.09
Bank Overdraft	(142.36)	(142.92)
Balance with Scheduled Banks in Current Accounts	193.38	205.60
Cheques in hand	-	22.41
	53.23	85.18

Note

1. During the year, the Company has issued 95,46,54,800 (nos.) fully paid equity shares with face value of ₹ 10 each and security premium of ₹ 126.31 per share, aggregating to ₹ 13,012.90 Crores in exchange of net assets of Demerged Undertaking pursuant to the Scheme.
2. During the previous year, the Company had alloted 9,657,423 equity shares of face value ₹ 10 each fully paid-up in lieu of consideration payable to Piramal Enterprises Limited amounting to ₹ 592 Crores.
3. During the previous year, the Company had alloted 3,988,262 equity shares of face value ₹ 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to ₹ 75 Crores.
4. During the previous year, the Company had issued 177,665,757 equity shares as bonus shares to the existing shareholders in the ratio 5.674:1

The above Consolidated Statement of Cash flow should be read in conjunction with the accompanying notes 1-71

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Consolidated Statement of Changes in Equity
for the year ended March 31, 2023

A. Equity Share Capital :

Particulars	(₹ in Crores)
Balance as at March 31, 2021	**994.60**
Changes in Equity Share Capital due to prior period errors	-
Issued during the year	191.31
Balance as at March 31, 2022	**1,185.91**
Issued during the year	7.41
Balance as at March 31, 2023	**1,193.32**

B. Share warrants:

Particulars	(₹ in Crores)
Balance as at March 31, 2021	**0.10**
Lapsed during the year	(0.10)
Balance as at March 31, 2022	**-**
Lapsed during the year	-
Balance as at March 31, 2023	**-**

C. Other Equity:

(₹ in Crores)

Particulars	Notes	Reserves & Surplus			Other Items in OCI		Other equity
		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		-	-	375.96	-	-	375.96
Other Comprehensive Income, net of tax expense for the year	15	-	-	0.33	92.20	6.21	98.74
Issue of Equity Shares		475.69	-	-	-	-	475.69
Dividend paid during the year		-	-	(50.00)	-	-	(50.00)
Balance as at March 31, 2022		**3,725.18**	**406.66**	**1,158.85**	**207.91**	**12.09**	**5,510.69**

(₹ in Crores)

Particulars	Notes	Reserves & Surplus			Other Items in OCI		Other equity
		Securities Premium	Capital Reserve	Retained Earnings	Foreign Currency Translation Reserve	Cash Flow Hedging Reserve	
Balance as at April 1, 2022		3,725.18	406.66	1,158.85	207.91	12.09	5,510.69
(Loss) after tax for the period		-	-	(186.46)	-	-	(186.46)
Other Comprehensive Income/(Loss), net of tax expense for the year	15	-	-	(2.57)	193.82	(15.45)	175.80
Issue of Equity Shares		93.53	-	-	-	-	93.53
Dividend paid during the year *		-	-	(13.40)	-	-	(13.40)
Balance as at March 31, 2023		**3,818.71**	**406.66**	**956.42**	**401.73**	**(3.36)**	**5,580.18**

* During the period, the Company paid a dividend aggregating to ₹ 67 Crores to its shareholders (shareholding determined as of the record date). Pursuant to the Scheme referred to in note 14, PEL transferred its shareholding in the Company amongst other assets w.e.f. April 1, 2022. Accordingly, to the extent of such shares transferred to the Company, dividend amounting ₹ 53.60 Crores has been netted off from the gross dividend paid. The table above reflects such net amount.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes 1-71.

In terms of our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930
Place- Mumbai
Date- May 24, 2023

For and on behalf of the Board of Directors

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

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

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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

1. GENERAL INFORMATION

Piramal Pharma Limited ("PPL", "Company", "Parent") (including all its subsidiaries) (the parent and its subsidiaries together referred to as "Group") is one of the India's largest Pharmaceutical Company.

PPL is a leading pharmaceutical company with global operations, providing end-to-end pharma services to customers and a portfolio of differentiated pharma products across a domestic and global distribution network. We operate under three business verticals - Piramal Pharma Solutions, an integrated contract development and manufacturing organization (“CDMO”) having a product suite in niche areas such as highly potent Active pharmaceutical ingredients ("APIs"), Finished dosage forms ("FDFs"), antibody drug conjugates, potent sterile injectable, hormonal oral solid dosage forms, biologics and vaccines; Piramal Critical Care, a complex hospital generics (“CHG”) business in the areas of inhalation anaesthesia, injectable anaesthesia and pain management, intrathecal therapy and other injectable; and India consumer healthcare (“ICH”) business, selling well-known OTC brands.

PPL is listed on stock exchanges during the year and domiciled in India and has its registered office at Mumbai, India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of Financial Statements

Compliance with Ind AS

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

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

The Separate financial statements are presented in addition to the consoloidated financial statements presented by the Group.

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

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 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.

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

Notes to the Consolidated financial statements

for the year ended March 31, 2023

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/ demerged undertaking comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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

Acquisition-related costs are expensed as incurred.

The excess of the

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

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

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

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

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

Common control transactions

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

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

iv) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Group & cost can be reliably measured.

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

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 / estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Asset Class	Useful life
Buildings*	3 years- 60 years
Roads	10 years
Plant & Equipment	3 years- 25 years
Continuous Process Plant	25 years
Office Equipment	1 year- 15 years
Motor Vehicles	4 years- 12 years
Furniture & fixtures	2 years- 28 years

*Useful life of leasehold improvements is as per lease period

(v) (a) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Consolidated Statement of Profit and Loss.

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

Development

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- It is technically feasible to complete the asset so that it will be available for use;
- Management intends to complete the asset and use or sell it;
- There is an ability to use or sell the asset;
- It can be demonstrated how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Asset Class	Useful life
Brands and Trademarks	5 years- 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 years- 30 years
Computer Software	2 years- 9 years
Customer relationships	8 years- 14 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

(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.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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 Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Compulsorily Convertible Preference Shares

Compulsorily Convertible Preference Shares are classified as a financial liability measured at amortised cost until it is extinguished on conversion.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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.

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 that do not contain a significant financing component are measured at transaction price of good sold or services rendered as defined in Ind AS 115, Revenue from Contract with Customers.

ix) Inventories

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

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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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.

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for the year ended March 31, 2023

Bonus Plans - The Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

xi) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurence 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

Sale of goods (including scrap sales): Revenue from the sale of goods is recognised when the Group transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

Distribution Fees: Distribution fees are recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement provided that it is probable that the economic benefits shall flow to the Group and the amount can be measured reliably.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend: Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Insurance Claim: Insurance Claim is recorded as an income on the basis of filing of insurance claim and corresponding claim receivable is recognised as an asset.

xiii) Foreign Currency Transactions

In preparing the financial 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

Notes to the Consolidated financial statements

for the year ended March 31, 2023

exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

xiv) Exceptional Items

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

xv) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

xvi) Leases

The Group’s lease asset classes primarily consist of leases for land, buildings and IT assets. At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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.

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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

xviii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the 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

Recent pronouncements Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. The Group has evaluated the amendment and the impact of the amendment is insignificant in Group's financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to IndAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Group has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Group has evaluated the amendment and there is no impact on its financial statements.

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

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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 statements, management makes an assessment of the group's ability to continue as going concern. Financial statements is prepared on going concern basis unless management either intends to liquidate the group or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the group's ability to continue as going concern, those uncertainties are disclosed. When the financial statement is not prepared on a going concern basis, that face is disclosed, together with the basis on which the financial statement is prepared and the reason why the group is not regarded as going concern.

xxvii) Subsequent Event

Financial statement are approved after considering ‘Adjusting Event’ and ‘Non-adjusting event’. Adjustments to assets and liabilities are made for events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the Balance Sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Group may provide a disclosure in the financial statement considering the nature of the transaction.

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

The preparation of the consolidated 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 consolidated 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) Fair Valuation:

Some of the Group’s assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 51.

ii) Impairment of Goodwill (Refer Note 38)

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount is higher of the Value-in-Use and Fair Value Less Cost To Sell (FVLCTS). The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

iii) Income Taxes

Significant judgments are involved in determining the provision for income taxes including amounts to be recovered or paid for uncertain tax positions. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

iv) Functional Currency (Refer Note 46(c))

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per Ind AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

v) Assessment of Significant influence (Refer Note 37 (c))

Irrespective of the voting rights in an entity, if the Company has a right to appoint Directors or participates in all significant financial and operating decisions of an investee, there is an existence of significant influence and the investment is considered as an Associate.

vi) Business combinations:

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

vii) Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial

Notes to the Consolidated financial statements
for the year ended March 31, 2023

assumptions. Such assumptions are reviewed annually using the best information available with the Management.

viii) Provisions and Contingencies:

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

ix) Useful lives and residual values of property, plant and equipment:

Property, plant and equipment represent a material portion of the Group's asset base. The periodic charge of depreciation is derived after estimating useful life of an asset and expected residual value at the end of its useful life. The useful lives and residual values of assets are estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on various external and internal factors including historical experience, relative efficiency and operating costs and change in technology.

x) Impairment loss in Investments carried at cost:

The Group conducts impairment reviews of investments in associates whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.

xi) Expected credit loss:

The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the trade receivables having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the outstanding on designated dates.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT	
	Opening as at April 01, 2022	Acquisition under Business Combination (Refer note 63)	Additions	Deductions/ Adjustments	Exchange Difference	As at March 31, 2023 (A)	Opening as at April 01, 2022	For the year #	Deductions/ Adjustments	Exchange Difference	As at March 31, 2023 (B)	As at March 31, 2023 (A)-(B)	As at March 31, 2022
Property, Plant & Equipment													
Land Freehold	130.04	-	0.05	-	3.85	133.94	1.60	0.45	-	-	2.05	131.89	128.44
Building	1,199.59	39.38	261.78	(0.13)	25.35	1,525.97	155.14	58.93	-	4.30	218.37	1,307.60	1,044.45
Roads	3.71	0.62	0.47	-	-	4.80	2.21	0.36	(0.17)	-	2.40	2.40	1.50
Plant & Equipment	2,965.59	30.64	468.32	(51.86)	119.49	3,532.18	1,317.80	299.03	(32.73)	68.21	1,652.31	1,879.87	1,647.79
Furniture & fixtures	66.57	2.00	4.90	(0.65)	2.04	74.86	36.57	9.01	(0.63)	1.26	46.21	28.65	30.00
Office Equipment	32.74	0.57	5.25	(0.14)	0.17	38.59	21.33	5.41	(0.15)	0.02	26.61	11.98	11.41
Motor Vehicles	1.27	0.13	0.59	(0.36)	-	1.63	0.79	0.41	(0.18)	(0.04)	0.98	0.65	0.48
Total (I)	4,399.51	73.34	741.36	(53.14)	150.90	5,311.97	1,535.44	373.60	(33.86)	73.75	1,948.93	3,363.04	2,864.07
Intangible Assets													
Customer relations*	130.69	-	-	-	9.36	140.05	57.91	13.86	-	3.46	75.23	64.82	72.78
Product related Intangibles-Brands and Trademarks*+	2,757.31	-	7.68	(2.56)	186.51	2,948.94	798.57	153.52	-	43.97	996.06	1,952.88	1,958.74
Product related Intangibles - Copyrights, Knowhow and Intellectual property rights*	322.56	-	-	-	25.41	347.97	133.93	44.40	-	9.61	187.94	160.03	188.63
Computer Software	104.12	-	53.84	(2.77)	4.48	159.67	60.30	19.90	(1.89)	1.83	80.14	79.53	43.82
Product Know-how	587.28	-	6.39	-	6.86	600.53	45.16	35.68	-	4.38	85.22	515.31	542.12
Total (II)	3,901.96	-	67.91	(5.33)	232.62	4,197.16	1,095.87	267.36	(1.89)	63.25	1,424.59	2,772.57	2,806.09
Grand Total (I + II)	8,301.47	73.34	809.27	(58.47)	383.52	9,509.13	2,631.31	640.96	(35.75)	137.00	3,373.52	6,135.61	5,670.16

***Material Intangible Assets as on March 31, 2023 and March 31, 2022**

Asset class	Asset description	Carrying Value as at March 31, 2023 (₹ in Crores)	Carrying Value as at March 31, 2022 (₹ in Crores)	Remaining useful life as on March 31, 2023
Product-related Intangibles- Brands and Trademarks	Brands and trademarks	237.78	269.94	1 year to 14 years
Product-related Intangibles- Brands and Trademarks	Purchased Brands	1,756.40	1,718.19	15-20 years
Customer Relations	Purchased Brands	34.60	41.29	5 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	527.44	556.96	5 to 29 years

Depreciation for the year ended March 31, 2023 includes depreciation amounting to ₹ 8.02 Crores (Previous year ₹ 7.88 Crores) on assets used for Research and Development locations at Ennore,Thane and Mumbai.

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

Refer note 26B (a) for the contractual capital commitments for purchase of Property, Plant & Equipment

There has been no revaluation of Property, Plant and Equipment (PPE) and Intangibles during the year ended March 31, 2023

Refer note 55 and 56 for ageing of Capital Work in Progress and Intangible Assets under development

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

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(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION					NET CARRYING AMOUNT	
	Opening as at April 01, 2021	Acquisition under business combination (Refer note 63)	Additions	Deductions/ Adjustments	Exchange Difference	As at March 31, 2022 (A)	Opening as at April 01, 2021	For the year #	Deductions/ Adjustments	Exchange Difference	As at March 31, 2022 (B)	As at March 31, 2022 (A)-(B)	As at March 31, 2021
Property, Plant & Equipment													
Land Freehold	128.36	-	1.34	-	0.34	130.04	1.18	0.38	-	0.04	1.60	128.44	127.18
Building	1,020.83	7.44	161.28	-	10.04	1,199.59	115.70	38.27	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	Carrying Value as at March 31, 2022 (₹ in Crores)	Carrying Value as at March 31, 2021 (₹ in Crores)	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 years to 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 years to 30 years

Depreciation for the year ended March 31, 2022 includes depreciation amounting to ₹ 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 26B (a) for the contractual capital commitments for purchase of Property, Plant & Equipment

There has been no revaluation of Property, Plant and Equipment (PPE) and Intangibles during the year ended March 31, 2022

Refer note 55 and 56 for ageing of Capital Work in Progress and Intangible Assets under development

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) an increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis. The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

4 (a) Investments accounted for using the equity method

	As at March 31, 2023		As at March 31, 2022	
	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
Investments in Equity Instruments:				
A. In Associates :				
I Unquoted - At Cost:				
i. Allergan India Private Limited (Refer note 37(a)(i))				
Interest as at April 01, 2022 and April 01, 2021 respectively	39,20,000	78.09	39,20,000	109.67
Add- Share of profit for the year		54.13		59.07
Add- Share of other comprehensive income for the year		*		*
Less- Dividend received		(83.79)		(90.65)
		48.41		78.09
ii. Yapan Bio Private Limited (refer note 37(c)(ii))				
Interest as at April 01, 2022 and April 01, 2021 respectively	1,00,000	101.73		-
Add- Investment during the year	20,000	20.35	1,00,000	101.77
Add- Share of profit for the year		0.20		(0.04)
Add- Share of other comprehensive income for the year		*		*
		121.70		101.73
Total equity accounted investments		170.11		179.82

Aggregate carrying value of unquoted investments 170.11 179.82

* below rounding off norms adopted by the Group

4 (b) Investments

Non-Current Investments:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Equity Instruments and other bodies corporate (fully paid-up)		
Unquoted - At FVTPL:		
Nyca Investment Fund III	39.54	34.87
BASF India Limited	0.04	0.04
Investments in Share Warrants		
Unquoted - At FVTPL:		
Bio Q Pharma Inc.	2.18	2.04
Total	41.76	36.95

Notes to the Consolidated financial statements
for the year ended March 31, 2023

Current Investments:

	As at March 31, 2023		As at March 31, 2022	
	Quantity	₹ in Crores	Quantity	₹ in Crores
Investments in Equity Instruments (fully paid-up)				
Unquoted - At FVTPL:				
Bio Q Pharma Inc.	-	14.23	-	13.39
Investments in Mutual fund				
Quoted - At FVTPL:				
Aditya Birla Sun life Overnight Fund-Growth-Direct Plan	3,55,160	43.07	-	-
Kotak Overnight Fund Growth- Direct	2,25,826	27.00	1,94,100	22.01
UTI Overnight Fund- Direct Growth Plan Growth	97,814	30.02	51,550	15.00
Franklin India Short Term Income Plan (Growth)	2,530	0.02	-	-
Nippon India Equity Savings Fund- Growth	4,78,118	0.01	-	-
Investment in Money Market Funds				
Quoted - At FVTPL:				
Goldman Sachs Financial Square Government Funds	2,90,00,000	238.81	-	-
Dreyfus Treasury Obligations Cash Management	90,00,000	73.95	-	-
Total		427.11		50.40

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Financial Assets carried at Cost		
Investments in Equity Instruments of Associates	170.11	179.82
(ii) Financial Assets carried at fair value through profit or loss (FVTPL)		
Equity	55.99	50.34
Mutual Funds	100.13	37.01
Money Market Funds	312.76	-
Total	638.99	267.17

5 Other Financial Assets - Non - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Unbilled revenue #	1.86	75.06
Security Deposits	19.69	20.51
Total	21.55	95.57

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

6 Deferred Tax Assets (Net) (Refer Note 49)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred tax assets on account of temporary differences		
- Brought forward losses	338.77	302.16
- Unrealised profit margin on inventory	11.72	7.17
- Other temporary differences	3.30	2.85
	353.79	312.18
(b) Deferred tax liabilities on account of temporary differences		
- Property, Plant and Equipment and Intangible assets	3.01	4.36
- Other temporary differences	1.48	10.55
	4.49	14.91
Total	349.30	297.27

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

7 Other Non Current Assets

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax [Net of Provision of ₹ 255.29 Crores at March 31, 2023, (Previous year ₹ 132.75 Crores)]	30.07	15.53
Capital Advances	1.22	4.04
Advances recoverable	185.85	49.08
Prepayments	0.04	0.04
Total	217.18	68.69

8 Inventories

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw and Packing Materials [includes in Transit of ₹ 8.58 Crores as on March 31, 2023, (Previous year ₹ 21.15 Crores)]	728.36	598.96
Work-in-Progress	334.72	322.40
Finished Goods	247.02	97.95
Stock-in-trade [includes in Transit of ₹ 12.31 Crores as on March 31, 2023, (Previous year ₹ 4.43 Crores)]	199.17	246.09
Stores and Spares [Includes in transit of ₹ NIL (Previous year ₹ 0.98 Crores)]	172.10	123.40
Total	1,681.37	1,388.80

1. Refer Note 41 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was ₹ 2,829.83 Crores (Previous year ₹ 2,555.22 Crores)
3. The cost of inventories recognised as an expense includes a reversal of ₹ 6.45 Crores (Previous year: charge of ₹ 0.07 Crores) in respect of write downs of inventory to net realisable value and a charge of ₹ 99.42 Crores (Previous year ₹ 47.02 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.
4. Refer Note 2(a)(ix) for policy for valuation of inventories.

9 Trade Receivables

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Secured- Considered Good	0.23	-
(b) Unsecured- Considered Good	1,801.57	1,790.70
Less: Expected Credit Loss on (a)	(2.46)	(5.42)
(c) Unsecured- Considered Doubtful	100.96	49.10
Less: Expected Credit Loss on (b)	(100.96)	(49.10)
Total	1,799.34	1,785.28

The credit period on sale of goods ranges from 7 to 150 days;

The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Ageing - Pharmaceuticals Manufacturing and Services business	Expected credit loss for external customer	
	As at March 31, 2023	As at March 31, 2022
Less than 365 days	0.30%	0.30%
More than 365 days	100.00%	100.00%

Notes to the Consolidated financial statements
for the year ended March 31, 2023

Movement in Expected Credit Loss Allowance:

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	54.52	47.32
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	42.05	7.54
Less: Bad debts written off	(1.29)	(0.10)
Add: Transfer from Piramal Enterprise Limited on account of demerger	8.13	-
Add: Effect of translation differences	0.01	(0.24)
Balance at the end of the year	**103.42**	**54.52**

Refer Note 53 for ageing of Trade Receivables

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

10 Cash & Cash equivalents

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Balance with Banks		
- Current Account	193.38	205.60
- Cheques in hand	-	22.41
ii) Cash on Hand	2.21	0.09
Total	**195.59**	**228.10**

11 Other Bank Balances

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks	102.09	91.35
Margin Money	6.12	5.62
Deposit Account more than 3 months original maturity but less than 12 months (Held as security against borrowings/ guarantees: ₹ 3.66 Crores (Previous year ₹ 3.21 Crores)]	3.76	3.92
Total	**111.97**	**100.89**

12 Other Financial Assets - Current

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	15.10	4.93
Derivative Financial Assets	23.16	7.48
Other Receivable from related parties	2.98	12.38
Unbilled revenues #	15.01	23.33
Interest Accrued	2.20	0.29
Others (includes claims receivable from third party)	33.97	2.44
Total	**92.42**	**50.85**

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

13 Other Current Assets

Unsecured and Considered Good

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances	131.34	132.39
Prepayments	76.57	69.55
Balance with Government Authorities	318.41	259.44
Claims Receivable (includes export incentive)	1.36	1.52
Total	**527.68**	**462.90**

Notes to the Consolidated financial statements
for the year ended March 31, 2023

14 Equity Share Capital

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital*		
2,629,000,000 (previous year 1,50,00,00,000) equity shares of ₹ 10 each	2,629.00	1,500.00
10,00,00,000 (Previous year: 10,00,00,000) compulsorily convertible preference shares of ₹ 10/- each	-	100.00
35,00,00,000 preference shares of ₹ 10 each	350.00	-
2,10,00,000 unclassified shares	21.00	-
Total	**3,000.00**	**1,600.00**
Issued, Subscribed & Paid Up Capital		
1,19,33,18,500 (Previous year: 1,18,59,13,506) equity shares of face value of ₹ 10/- each fully paid.	1,193.32	1,185.91
Total	**1,193.32**	**1,185.91**

*The Authorised share capital of the Company is increased pursuant to the Composite Scheme of Arrangement amongst Piramal Enterprises Limited ('PEL'), Piramal Pharma Limited ('the Company'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Finvest Private Limited and their respective shareholders and creditors which was approved by the National Company Law Tribunal, Mumbai Bench vide its order dated 12th August, 2022 ('scheme')

(i) Movement in Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	1,18,59,13,506	1,185.91	99,46,02,064	994.60
Add: Issued during the year				
Rights Issue- Piramal Enterprises Limited	-	-	-	-
Preferential Issue- Piramal Enterprises Limited	-	-	96,57,423	9.65
Preferential Issue - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	-	-	39,88,262	3.99
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
Allotment of shares pursuant to the Scheme	95,46,54,800	954.65	-	-
Less: Cancelled during the year				
Cancellation of equity shares held by PEL and its nominees pursuant to the Scheme	(94,72,49,806)	(947.24)	-	-
At the end of the year	**1,19,33,18,500**	**1,193.32**	**1,18,59,13,506**	**1,185.91**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustee Mr. Ajay G Piramal and Dr. (Mrs.) Swati A Piramal	31,55,10,320	26.44%	-	-
Caisse De Depot Et Placement Du Quebec	6,59,80,753	5.53%	-	-
Piramal Enterprises Limited	-	-	94,72,49,806	79.88%
CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	23,86,63,700	20.00%	23,86,63,700	20.12%

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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

Particulars	Financial Year	No. of shares
Allotment of equity shares of face value ₹ 10 each fully paid up to the shareholders of Piramal Enterprises limited in the ratio of 1:4 pursuant to composite scheme of arrangement	2022-23	95,46,54,800
Allotment of equity shares of face value of ₹ 10 each as bonus shares to the existing shareholders in the ratio 5.674:1	2021-22	17,76,65,757
Allotment of equity shares of face value ₹ 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 ₹ 10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments).	2021-22	39,88,262
Allotment of equity shares of face value ₹ 10 each fully paid-up in lieu of transfer of stake held by Piramal Enterprises Limited in Piramal Healthcare Inc. to the Company	2020-21	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 ₹ 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) Shareholdings of Promoter

Shares held by promoters at the end of the year as at March 31, 2023

Promoter Name	No. of shares	% of total shares	% Change during the year*
Ajay G. Piramal	4,93,184	0.04	100
Swati A. Piramal	8,400	0.00	100
Anand Piramal	7,88,388	0.07	100
Nandini Piramal	1,81,948	0.02	100
Lalita G. Piramal	4,936	0.00	100
Peter DeYoung	4,32,000	0.04	100
Anya Piramal DeYoung	1,92,000	0.02	100
Master Dev Piramal DeYoung	1,92,000	0.02	100
Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	26,028	0.00	100
PRL Realtors LLP	3,58,95,652	3.01	100
The Ajay G. Piramal Foundation	39,46,924	0.33	100
V3 Designs LLP	3,88,04,000	3.25	100
Anand Piramal Trust	5,57,308	0.05	100
Nandini Piramal Trust	4,90,960	0.04	100
Aasan Corporate Solutions Private Limited	80,55,500	0.68	100
Piramal Welfare Trust (Formerly Piramal Enterprise executives trust)	95,43,224	0.80	100
The Sri Krishna Trust (Through its trustees Ajay G. Piramal and Swati Piramal)	31,55,10,320	26.44	100

*Since company is listed during the year, shareholding of promoter is changed.

Shares held by promoters at the end of the year as at March 31, 2022

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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

15 Other Equity

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Reserve	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.)	3,818.71	3,725.18
Retained Earnings (The retained earnings are the profits that the company has earned to date, less any dividend or distributions paid to investors)	956.42	1,158.85
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.)	401.73	207.91
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)))	(3.36)	12.09
Total	**5,580.18**	**5,510.69**

Refer Statement of Changes in Equity for movement in reserves.

The Company has not declared any dividend during the year and has not proposed final dividend for the year.

16 Non-Current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured - at amortized cost		
(i) Term Loan From Banks and Financial Institutions		
- Rupee Loans	293.81	277.97
- Others	2,691.20	2,145.02
(ii) Redeemable Non Convertible Debenture	398.53	199.15
Total	**3,383.54**	**2,622.14**

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

A. Secured Term Loans from Banks, Financial Institutions & Others

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
JP Morgan Term Loan- All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank.	Repayment in 20 quarterly instalments from Sept 2019 with lumpsum payment at end of 5 years. Option to renew another 5 years.	-	769.34
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 lumpsum payment at end of 5 years. Option to renew another 5 years.	-	189.49
PNC Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from June 2019	-	13.90

Notes to the Consolidated financial statements
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(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
City National Bank Florida Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Aug 2019	6.42	10.15
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jun 2020	4.09	5.43
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	5.72	7.34
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Sep 2020	9.67	12.41
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Nov 2020	19.93	25.08
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Jan 2021	11.88	14.70
Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	9.33	11.46
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Feb 2021	4.76	5.85
Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan	Repayment in 60 monthly instalments from Apr 2021	7.27	8.81
Negative pledge over all and whole of the leasehold interest in the PMF Building, Earl's Road, Grangemouth, FK 3 8XG (Otherwise known as PMF Building Avecia Complex Grangemouth) registered in the land register of Scotland.	Repayable in unequal quarterly instalments after 24 months from the date of drawdown and final repayment date is June 30, 2029	158.61	-
SBI Term Loan facility - All the assets (except carved out vaporizers financed through Fifth Third, Citizens Bank, and City National Bank of Florida) of the Company are collateralized.	Repayment in quarterly instalments beginning March 2023.	1,618.83	-
Corporate Guarantee by PPL and First ranking security over assets of Piramal Dutch Holdings NV to ensure asset coverage ratio of 1.05x*	Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date	442.54	506.10
PCCUK-Charge on brands acquired on exclusive basis*	Repayable in 7 quarterly instalments of $ 5.305 mn starting March 2022, followed by 6 quarterly instalments of $5.310 mn starting December 2023 and a lumpsum payment of $ 46 mn in June 2025	727.03	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	252.88	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 Quarterly instalments from Feb 2019	15.00	35.00
First pari passu on entire Property Plant & Equipment of borrower, present and future. First pari passu charge on Current Assets of borrower, present and future.	Repayable in 30 Quarterly instalments from Dec 2022	21.74	17.57
First pari passu charge over pool of selected Tangible Assets and Intangible Assets.	Total tenor of 5 years from date of first drawdown(Year 1- NIL, Year 2- 21 %, Year 3- 21 %, Year 4-29 %, Year 5- 29 %)	200.00	-
First pari passu hypothecation charge on all existing and future moveable fixed assets of the Borrower.	Total tenor of 5 years from date of first drawdown - repayment in 7 unequal half yearly instalments after moratorium of 18 months	100.00	-
First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets.	Repayable on May 31, 2023	250.00	500.00

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

Group has utilised the borrowings (including current borrowings) for the purpose for which they were taken.

The coupon rate for the above loans are in the range of 3.25% to 9.64% per annum (Previous period: 2.79% [LIBOR+2.60%] to 7.70 % per annum).

There are no material discrepancies between amount of current assets submitted to banks and financial institutions in quarterly returns and amount as per books of account for the Company wrt Indian entities.

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

Notes to the Consolidated financial statements
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B. Redeemable Non Convertible Debenture

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge over pool of selected tangible and intangible assets.	The amount of ₹ 200 Crores is redeemable at par in equal annual repayment at the end of 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 ₹ 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 ₹ 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 8.15 % per annum to 8.93 % per annum (Previous year : 7.50 % per annum)

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

17 Other Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent consideration at FVTPL	4.98	0.40
	4.98	**0.40**

18 Non-Current Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer note 39)	20.59	12.51
Provision for Onerous contracts*	0.09	0.08
	20.68	**12.59**

*Refer Note 47 for movement during the period

19 Deferred tax liabilities (Net) (Refer Note 49)

(a) Deferred Tax Assets on account of temporary differences

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- Brought forward losses	16.66	17.40
- Expenses that are allowed on payment basis	79.48	74.63
- Remeasurement of defined benefit obligation	1.62	0.75
- Fair Value Measurement of derivative contracts	0.13	0.22
- Expected Credit Loss on Trade Receivables	10.93	0.99
- Debt EIR impact	1.82	-
- Other temporary differences	0.65	(0.00)
Total (a)	**111.28**	**94.00**

Notes to the Consolidated financial statements
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(b) Deferred Tax Liabilities on account of temporary differences

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- Property, Plant and Equipment and Intangible assets	314.28	281.45
- Recognition of lease rent expense	10.44	1.76
- Measurement of financial liabilities at amortised cost	0.77	0.07
- Other temporary differences	5.11	2.74
Total (b)	330.59	286.02
Deferred Tax Liabilities (Net) (b)-(a)	219.31	192.01

20 Other Non-Current Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Government grant related to assets	18.73	3.29
Advances from customer	142.02	107.73
Deferred Revenue	14.83	42.74
Total	175.58	153.76

21 Current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured - at amortised cost		
Loans from banks		
- Working Capital Demand Loan	972.71	307.44
- Overdraft with banks (including PCRE)	322.16	309.51
Unsecured - at amortised cost		
- Repayable on demand	2.97	15.16
Loans from Related Parties	-	3.04
Overdraft with banks	4.45	23.61
Current maturities of long-term debt	818.94	742.38
Total	2,121.23	1,401.14

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan	At Call	3.99% to 8.90% per annum
Overdraft with banks	At Call	4.87% to 6.97% per annum
Others (PCRE)	At Call	7.90% to 8.85% per annum
Unsecured Loans:		
Loans from Banks (Repayable on demand)	At Call	4.87% to 6.25% per annum

Notes to the Consolidated financial statements
for the year ended March 31, 2023

A. Working Capital Demand Loan and Overdraft

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
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
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future.	1 year term. Renewable every year	44.72	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Sep 04, 2023	35.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 25, 2023	25.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 25, 2023	30.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 23, 2023	30.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 08, 2023	45.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 21, 2023	20.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 19, 2023	20.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 17, 2023	25.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on July 15, 2023	25.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 9, 2023	50.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on June 7, 2023	20.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 09, 2023	30.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 04, 2023	45.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 03, 2023	49.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Apr 28, 2023	20.00	-
First pari passu charge over the present and future current assets (Stock & Debtors) of the Borrower.	Repayable on Apr 28, 2023	50.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Sep 9, 2022	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Sep 2, 2022	-	30.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 5, 2022	-	35.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Aug 1, 2022	-	20.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Jul 27, 2022	-	25.00
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Jun 8, 2022	-	30.00

Notes to the Consolidated financial statements
for the year ended March 31, 2023

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge over entire current assets of the company, both present and future	Repayable on Jun 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 Inventory for North American sites	At Call	71.90	39.79
Secured by trade receivables and Inventory for North American sites	At Call	43.14	-
Secured by trade receivables for Canada sites	At Call	85.12	-
SBI Revolving Loan Facility - All the assets (except carved out vaporizers financed through Fifth Third, Citizens Bank and City National Bank of Florida) of the Company are collateralized.	Repayment in quarterly instalments beginning Jun 2023 with rollover option.	207.33	-
Secured by first priority perfected security interest in and lien on trade receivables and Inventory for North American sites	At Call	-	24.63

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

B. Packing Credit Loan (PCRE)

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on Jun 6, 2023	50.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on Sep 01, 2023	10.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on Aug 29, 2023	63.00	-
First pari-passu charge over the company's Stocks & Receivables, both present and future	Repayable on Aug 28, 2023	27.00	-
First pari-passu charge over entire current assets of the company, both present and future	Repayable on May 31, 2023	50.00	-
These are secured by first pari-passu charge over the company's Stocks & Receivables	Repayable on Sep 18, 2022	-	50.00
These are secured by first pari-passu charge over the company's Stocks & Receivables	Repayable on Sep 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 Jun 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 Jun 10, 2022	-	50.00

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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

22 Other Financial Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to related parties	-	0.01
Employee related liabilities	199.43	142.79
Contingent consideration at FVTPL	6.15	89.51
Capital Creditors	1.50	2.96
Retention money	-	0.35
Security Deposits Received	3.91	2.65
Derivative Financial Liabilities	4.94	-
Other payables	11.12	20.76
	227.05	259.03

23 Other Current Liabilities

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance From Customers	117.47	140.17
Deferred Revenue	83.66	45.02
Deferred Government grant related to assets	2.24	0.25
Statutory Dues	25.55	37.47
	228.92	222.91

24 Current Provisions

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 39)	39.21	33.81
	39.21	33.81

25 Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax (Net of advance tax of ₹ 7.99 Crores (Previous year- ₹ 84.67 Crores)	3.54	71.66
	3.54	71.66

Notes to the Consolidated financial statements
for the year ended March 31, 2023

26 Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
A Contingent Liabilities:		
1 Claims against the Group not acknowledged as debts:		
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 Group is in appeal	-	0.42
Sales Tax	2.83	1.06
Central / State Excise / Service Tax / Customs	39.36	25.55
Labour Matters	1.92	2.17
ii. Unexpired Letters of Credit	1.35	2.36
B Commitments:		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	225.34	292.15
b. The Group has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	23.12	28.38

27. Revenue from Operations

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Revenue from contract with customers		
Sale of Products	5,933.41	5,576.88
Sale of Services	1,043.42	853.89
Other operating revenues:		
Scrap Sales	32.26	55.12
Distribution fees	55.58	40.73
Others (insurance claims, export incentives etc.)	16.88	32.48
Total	7,081.55	6,559.10

Disaggregate revenue information

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

For the year ended March 31, 2023

(₹ in Crores)

Revenue by product line/ timing of transfer of goods/ services	For the year ended March 31, 2023	
	At point in time	Over time
Global Pharma	5,503.27	654.79
Over the counter products	818.77	-
Total	6,322.04	654.79

For the year ended March 31, 2022

(₹ in Crores)

Revenue by product line/ timing of transfer of goods/ services	For the year ended March 31, 2022	
	At point in time	Over time
Global Pharma	5,118.72	570.10
Over the counter products	741.95	-
Total	5,860.67	570.10

Notes to the Consolidated financial statements
for the year ended March 31, 2023

Reconciliation of revenue recognised with contract price:

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products and services at transaction price	8,002.18	7,177.49
Less: Discounts	(1,025.35)	(746.72)
Revenue recognised on sale of products and services	6,976.83	6,430.77

28. Other Income (NET)

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Revenue on Financial Assets		
- Bank Deposits at amortised costs	1.64	0.68
Other Gains & Losses:		
- Exchange Gain (Net)	110.77	16.86
- Income on instruments mandatorily measured at FVTPL	0.98	21.18
Write back of liabilities no longer payable	49.00	60.13
Profit on Sale of Investment	1.58	1.95
Miscellaneous Income (mainly includes amortization of government grants and one time claim received in previous year, etc.)	61.14	174.99
Total	225.11	275.80

29. Cost of materials consumed

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw and Packing Materials		
Opening Inventory	598.96	448.73
Inventory acquired under business combination (Refer note 63)	29.41	9.73
Add: Purchases	1,782.45	1,707.46
Less: Closing Inventory	728.36	598.96
Total	1,682.46	1,566.96

30. Purchases of Stock-in-Trade

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Traded Goods	952.20	829.07
Total	952.20	829.07

31. Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Inventory:		
Work-in-Progress	322.40	318.14
Finished Goods	97.95	132.54
Stock-in-trade	246.09	254.38
Stock acquired under business acquisition (Refer note 63)		
Work-in-Progress	29.99	11.31
Finished Goods	28.05	5.30
Stock-in-trade	125.09	-
Less: Closing Inventory :		
Work-in-Progress	334.72	322.40
Finished Goods	247.03	97.95
Stock-in-trade	199.18	246.09
Total	68.64	55.21

Notes to the Consolidated financial statements
for the year ended March 31, 2023

32. Employee benefits expense

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	1,641.62	1,367.67
Contribution to Provident and Other Funds (Refer Note 39)	114.92	101.98
Gratuity Expense (Refer Note 39)	3.64	3.81
Staff Welfare	136.17	115.37
Total	**1,896.35**	**1,588.83**

33. Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Finance Charge on financial liabilities measured at amortised cost	337.67	188.78
Interest on Income Tax	0.04	-
Other borrowing costs	6.47	9.47
Total	**344.18**	**198.25**

34. Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2022
Processing Charges		22.87		11.85
Consumption of Stores and Spares Parts		126.53		103.98
Consumption of Laboratory materials		114.14		78.52
Power, Fuel and Water Charges		207.81		163.56
Repairs and Maintenance:				
Buildings	72.87		54.39	
Plant and Machinery	162.96		140.24	
Others	32.16		25.14	
		267.99		
Rent:				
Premises	3.46		2.91	
Other Assets	28.64		25.34	
		32.10		
Rates & Taxes		57.17		73.44
Insurance		43.84		42.56
Travelling Expenses		66.49		34.76
Directors' Commission		1.63		0.72
Directors' Sitting Fees		0.39		0.32
Trade Receivables written off		-		1.16
Expected Credit Loss on Trade Receivables (Refer Note 9)		42.05		7.44
Loss on sale of property, plant and equipment		0.48		0.54
Advertisement and Business Promotion Expenses		176.15		151.33
Donations		8.99		9.61
Contribution to Electoral Trust		3.00		-
Freight		144.53		133.11
Export expenses		3.01		1.18
Clearing and Forwarding Expenses		48.90		32.19
Communication and Postage		14.32		12.30
Printing and Stationery		12.84		9.04
Legal Charges		10.75		13.92
Professional Charges		162.78		122.43
Royalty Expense		56.21		46.57
Service Charges		38.59		53.06
Information Technology Costs		30.25		36.19
R & D Expenses Net		86.36		128.34
Miscellaneous Expenses		73.49		53.25
Total		**1,853.66**		**1,569.38**

Notes to the Consolidated financial statements
for the year ended March 31, 2023

Note

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 7.58 Crores (Previous year ₹ 7.11 Crores)
- Amount of expenditure incurred ₹ 7.58 Crores (Previous year: - ₹ 7.40 Crores)
- Shortfall at the end of the year ₹ Nil (Previous year - Nil)
- Total of previous year's shortfall ₹ Nil (Previous year - Nil)
- Reason for shortfall - Not Applicable
- Nature of CSR activities - Aspirational District Collaborative Education Programme.
- Details of related party transactions - Nil
- Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately - Not Applicable

35. Exceptional Items

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Certain transaction cost related to business combination (Refer Note 63)	(6.96)	(15.08)
Total	**(6.96)**	**(15.08)**

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

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of post-employment benefit obligations (Refer Note 39)	(2.57)	0.33
Deferred gains / (losses) on cash flow hedges	(15.45)	6.21
Exchange differences on translation of foreign operations	193.82	92.20
Total	**175.80**	**98.74**

37 Interests in other entities

A Interest in Associates

(₹ in Crores)

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ In Crores) March 31, 2023	% of ownership interest	Carrying Amount as at (₹ In Crores) March 31, 2022	% of ownership interest
1	Allergan India Private Limited (Allergan)	India	48.41	49.00%	78.09	49.00%
2	Yapan Bio Private Limited (Yapan)	India	121.71	33.33%	101.73	27.78%

The above investments are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

Allergan India Private Limited is mainly engaged in trading of opthalmic products.

Yapan Bio Private Limited is mainly engaged in contract process development and manufacting of vaccines and biologics/bio-therapeutics for human clinical trials.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

i) Allergan India Private Limited

The Group owns 49% equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly, Allergan India Private Limited has been considered as an Associate.

Significant financial information for associate

Summarised Balance Sheet as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Current assets	186.63	214.35
Non-current assets	48.71	37.63
Current liabilities	(118.94)	(86.55)
Non-current liabilities	(19.36)	(12.22)
Net Assets	97.04	153.21

Summarised statement of profit and loss for the year ended:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Revenue	446.04	414.26
Profit for the year	110.41	124.62
Other comprehensive income/ (loss)	-	-
Total comprehensive income	110.40	124.62
Dividends received	83.79	90.65

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Net assets	97.04	153.21
Group's share in %	49%	49%
Proportion of the Group's ownership interest	47.55	75.07
Others	0.86	3.02
Carrying amount	48.41	78.09

Contingent liabilities as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Share of associate's contingent liabilities		
- Claims against the company not acknowledged as debt	14.08	7.12
- Disputed demands for income tax	3.57	1.75
Total contingent liabilities	17.65	8.87

Notes to the Consolidated financial statements
for the year ended March 31, 2023

ii) Yapan Bio Private Limited (YBPL)

The Group owns 33.33% equity shares of Yapan Bio Private Limited. As per the terms of the contractual agreement with promoters of YBPL, the Group by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The Group only has a right to participate in the policy making processes. Accordingly Yapan Bio Private Limited has been considered as an Associate.

Significant financial information for associate

Summarised Balance Sheet as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Current assets	49.14	72.96
Non-current assets	30.49	16.06
Current liabilities	(3.34)	(12.35)
Non-current liabilities	(0.87)	(1.38)
Net Assets	75.42	75.29

Summarised statement of profit and loss for the year ended:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Revenue	13.70	5.80
Profit for the year	0.71	0.16

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2023	March 31, 2022
Net assets	75.42	75.29
Group's share in %	33.33%	27.78%
Proportion of the Group's ownership interest	25.14	20.92
Goodwill on acquistion	96.57	80.81
Carrying amount	121.71	101.73

Contingent Liability

There are no Contingent liabilities as at March 31, 2023 and March 31, 2022 in Yapan Bio Private Limited.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

38 Goodwill

Movement in Goodwill on Consolidation during the year:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,030.50	856.47
Add: Addition due to acquisition during the year (Refer note 63)	7.42	145.06
Add: Currency translation differences	69.59	28.97
Closing balance	**1,107.51**	**1,030.50**

The above goodwill relates to acquisition of Hemmo Pharmaceuticals Private Limited of ₹ 145.05 Crore (Previous year ₹ 145.05 Crore), Convergence Chemicals Private Limited of ₹ 8.08 Crore (Previous year ₹ 8.08 Crore), Piramal Phrama Solutions Inc. of ₹ 174.89 Crore (Previous year ₹ 161.32 Crore), Piramal Healthcare UK Limited of ₹ 41.75 Crore (Previous year ₹ 42.52 Crore), Piramal Critical Care Inc.(Minrad International Inc. and Mallinkrodt) of ₹ 667.25 Crore (Previous year ₹ 615.36 Crore), Ash Stevens Inc of ₹ 63.07 Crore (Previous year ₹ 58.17 Crore), Pharma business of Piramal Enterprises Limited (demerged undertaking as defined in the scheme) of ₹ 7.42 Crore (Previous year ₹ Nil).

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

The recoverable amount being fair value was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years or such extended period as considered appropriate were developed using internal forecasts (based on past experience/ external sources of information), and a pre-tax discount rate of 10 % to 17 % respectively (March 31, 2022: 10.77% to 13.80% respectively). The cash flows beyond 5 years have been extrapolated assuming growth rates ranging from 3.4% to 5% (March 31, 2022: growth rate 2.87% to 5%), depending on the cash generating unit and the country of operations (Fair Value Hierarchy - Level 3). The management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

Based on the above, no impairment was identified as of March 31, 2023 and March 31, 2022 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 Consolidated Balance Sheet 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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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.

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

(₹ in Crores)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employer's contribution to Regional Provident Fund Office	2.74	5.99
Employer's contribution to Superannuation Fund	0.27	0.20
Employer's contribution to Employees' State Insurance	0.60	0.53
Employer's contribution to Employees' Pension Scheme 1995	6.03	5.21
Contribution to Pension Fund	50.47	48.33
401 (k) Plan contribution	41.04	31.00
Total	**101.15**	**91.26**

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 32 and 34)

Notes to the Consolidated financial statements
for the year ended March 31, 2023

II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2023 and March 31, 2022

A. Change in Defined Benefit Obligation

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Present Value of Defined Benefit Obligation as at beginning of the year	54.91	51.37	614.18	704.10	170.01	12.99
Acquired through business combination	5.16	2.04	-	-	-	-
Interest Cost	3.76	3.46	11.57	9.56	16.61	5.23
Current Service Cost	4.61	4.43	-	-	12.48	10.15
Contributions from plan participants	-	-	-	-	19.99	16.81
Liability Transferred In for employees joined	-	-	-	-	2.99	118.82
Benefits Paid	(4.19)	(5.64)	(15.14)	(30.44)	(8.94)	(0.88)
Return on Plan Assets, Excluding Interest Income	-	-	-	-	(6.79)	6.89
Actuarial (Gains)/loss - due to change in Demographic Assumptions	-	-	-	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	(0.26)	(1.24)	(220.75)	(60.44)	-	-
Actuarial (Gains)/loss - due to experience adjustments	2.74	0.49	-	-	-	-
Exchange Differences on Foreign Plans	-	-	1.85	(8.60)	-	-
Present Value of Defined Benefit Obligation as at the end of the year	66.73	54.91	391.71	614.18	206.35	170.01

B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Fair Value of Plan Assets as at beginning of the year	45.44	47.51	890.21	877.25	170.01	12.99
Interest Income	3.11	3.08	16.73	11.92	16.61	5.23
Acquistion through business combination	5.16	0.66	-	-	-	-
Contributions from employer	0.06	0.15	-	-	32.47	26.96
Assets Transferred In for employees joined	-	-	-	-	2.99	118.82
Benefits Paid from the fund	(4.19)	(5.64)	(15.14)	(30.44)	(8.94)	(0.88)
Return on Plan Assets, Excluding Interest Income	(0.96)	(0.32)	(293.20)	46.85	(3.05)	6.89
Administration cost	-	-	(7.58)	(4.66)	-	-
Exchange Differences on Foreign Plans	-	-	3.99	(10.71)	-	-
Fair Value of Plan Asset as at the end of the year	48.62	45.44	595.01	890.21	210.09	170.01

Notes to the Consolidated financial statements
for the year ended March 31, 2023

C. Amount recognised in the Consolidated Balance Sheet

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2023	2022	2023	2022	2023	2022
Present Value of Defined Benefit Obligation as at the end of the year	66.73	54.91	391.71	614.18	206.35	170.01
Fair Value of Plan Assets as at end of the year	48.62	45.44	595.01	890.21	210.09	170.01
Funded Status	-	-	203.30	276.03	-	-
Asset Ceiling	-	-	(203.30)	(276.03)	-	-
Effect of currency translations	-	-	-	-	-	-
Net Liability/(Asset)	18.11	9.47	-	-	(3.74)	-
Assets Not Recognised In Balance Sheet	-	-	-	-	3.74	-
Net Liability recognised in the Consolidated Balance Sheet (Refer Notes 18 and 24)	18.11	9.47	-	-	-	-

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2023	2022	2023	2022	2023	2022
Recognised under:						
Non Current provision (Refer Note 18)	18.11	9.47	-	-	-	-
Current provision (Refer Note 24)	-	-	-	-	-	-

Any Gains/Losses on Asset and Surplus of Asset are not recognised in the Balance Sheet as the same belongs to the Trust and the Group does not have claim over the Trust surplus (if any).

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

D. Expenses recognised in Consolidated Statement of Profit and Loss

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Current Service Cost	4.61	4.43	-	-	12.48	10.15
Net Interest Cost	0.65	0.38	-	-	-	-
Total Expenses / (Income) recognised in the Consolidated Statement of Profit And Loss*	5.26	4.81	-	-	12.48	10.15

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)

Notes to the Consolidated financial statements
for the year ended March 31, 2023

E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current year

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2023	2022	2023	2022	2023	2022
Actuarial (Gains)/Losses on Obligation For the Period- Due to changes in demographic assumptions	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	(0.26)	(1.24)	(220.75)	(60.44)	-	-
Actuarial (Gains)/Losses on Obligation For the Period- Due to experience adjustment	2.74	0.49	-	-	-	-
Return on Plan Assets, Excluding Interest Income	0.96	0.32	300.78	(42.19)	-	-
Change in Asset Ceiling	-	-	(80.03)	102.63	-	-
Net (Income)/Expense For the year recognized in OCI	3.44	(0.43)	-	-	-	-

F. Significant Actuarial Assumptions:

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2023	2022	2023	2022	2023	2022
Discount Rate (per annum)	7.39%	6.05% to 6.84%	4.80	1.95	7.39	6.84
Salary escalation rate	9.50% p.a. for the next 1 year, 7.00% p.a. for the next 2 years, starting from the 2nd year 6.00% p.a. thereafter, starting from the 4th year	9% to 10% for first 3 years then 6%	-	-	NA	NA
Expected Rate of return on Plan Assets (per annum)	7.39%	6.05% to 6.84%	3.20%	2%	8.15%	8.10%

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:

(₹ in Crores)

Particulars	Funded	
	Gratuity	
	As at March 31,	
	2023	2022
Opening Net Liability/(asset)	9.47	3.86
Acquisition through business combination	-	1.38
Expenses Recognized in Statement of Profit or Loss	5.26	4.81
Expenses Recognized in OCI	3.44	(0.43)
Employer's Contribution	(0.06)	(0.15)
Net Liability/(Asset) Recognized in the Consolidated Balance Sheet	18.11	9.47

Notes to the Consolidated financial statements
for the year ended March 31, 2023

H. Category of Assets

(₹ in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2023	2022	2023	2022	2023	2022
Government of India Assets (Central & State)	22.09	18.05	-	-	107.30	79.76
Public Sector Unit Bonds	0.19	-	-	-	3.72	-
Debt Instruments	-	-	446.25	605.34	-	-
Corporate Bonds	17.54	14.74	-	-	82.20	64.67
Fixed Deposits under Special Deposit Schemes of Central Government*	3.94	7.23	-	-	-	-
Insurance fund*	-	1.08	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	4.82	4.31	-	-	8.05	6.25
Global Equities	-	-	148.75	284.87	-	-
Others*	0.03	0.03	-	-	8.82	19.33
Total	48.61	45.44	595.00	890.21	210.09	170.01

* Except these, all the other investments are quoted.

I. Other Details
Funded Gratuity

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Number of Active Members	4,565	3,976
Per Month Salary For Active Members (₹ In Crores)	14.74	11.83
Average Expected Future Service (Years)	7.00	5 to 8 Years
Projected Benefit Obligation (PBO) (₹ In Crores)	66.72	55.44
Prescribed Contribution For Next Year (12 Months) (₹ In Crores)	14.74	20.41

J. Cash Flow Projection: From the Fund

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2023	Estimated for the year ended March 31, 2022
1st Following Year	9.35	5.67
2nd Following Year	5.90	4.45
3rd Following Year	7.64	5.45
4th Following Year	7.04	6.16
5th Following Year	6.99	5.60
Sum of Years 6 To 10	34.00	27.34
Sum of Years 11 years and above	38.52	0.72

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

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

Weighted average duration of the defined benefit obligation is 8 years.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

K. Sensitivity Analysis

(₹ in Crores)

Projected Benefit Obligation	Gratuity - Funded As at March 31, 2023	Gratuity - Funded As at March 31, 2022
Impact of +1% Change in Rate of Discounting	(6.06)	(3.00)
Impact of-1% Change in Rate of Discounting	2.76	3.34
Impact of +1% Change in Rate of Salary Increase	2.71	3.32
Impact of-1% Change in Rate of Salary Increase	(5.50)	(3.03)
Impact of +1% Change in Rate of Employee Turnover	(1.24)	0.05
Impact of-1% Change in Rate of Employee Turnover	1.27	(0.07)

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 Consolidated Balance Sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The liability for Long term Service Awards (Non – Funded) as at year end is ₹ 2.96 Crores (Previous year - ₹ 2.83 Crores)

The liability for Leave Encashment (Non – Funded) as at year end is ₹ 38.43 Crores (Previous year ₹ 32.72 Crores)

40 Related Party Disclosures

1. List of related parties

A. Holding Company

Piramal Enterprises Limited (PEL) (till March 31, 2022)

B. Fellow Subsidiaries* (Till March 31, 2022)

PHL Fininvest Private Limited
Piramal Alternatives Private Limited (erstwhile known as Piramal Asset Management Private Limited)
Piramal Capital and Housing finance Limited
Piramal Dutch IM Holdco B.V.
PEL-DRG Dutch Holdco B.V
INDIAREIT Investment Management Co. (IIMCO)
Piramal Holdings (Suisse) SA

* where there are transactions during the previous year

Notes to the Consolidated financial statements
for the year ended March 31, 2023

C. Subsidiaries

The Subsidiary companies including step down subsidiaries as on March 31, 2023

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2023	Proportion of Ownership interest held as at March 31, 2022	Proportion of Non-Controlling interest held as at March 31, 2023 and March 31, 2022	Principal Activity
Piramal Critical Care Italia, S.P.A**	Italy	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Critical Care Deutschland GmbH**	Germany	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Critical Care Limited **	U.K.	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Critical Care B.V. **	Netherlands	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Pharma Solutions (Dutch) B.V. **	Netherlands	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Critical Care Pty. Ltd. **	Australia	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Healthcare Pension Trustees Limited**	U.K.	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Dutch Holdings N.V.	Netherlands	100%	100%	-	Investment Entity (Majorly Investment in Subsidiary)
Piramal Healthcare Inc.@	U.S.A	100%	100%	-	Investment Entity (Majorly Investment in Subsidiary)
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Pharma Inc.**	U.S.A	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%	100%	-	Pharmaceutical manufacturing and services
PEL Pharma Inc.@	U.S.A	100%	100%	-	Investment Entity (Majorly Investment in Subsidiary)
PEL Healthcare LLC** (w.e.f June 26, 2020)	U.S.A	100%	100%	-	Pharmaceutical manufacturing and services
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Pharma II Private Limited (w.e.f June 08, 2022)	India	100%	N.A.	-	Pharmaceutical manufacturing and services
Piramal Pharma Japan GK (w.e.f November 05, 2021)**	Japan	100%	100%	-	Pharmaceutical manufacturing and services
Piramal Critical Care ΜΟΝΟΠΡΟΣΩΠΗ I.K.E. (w.e.f. February 28, 2023) **	Greece	100%	N.A.	-	Pharmaceutical manufacturing and services

** held through Piramal Dutch Holdings N.V.

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

D. Associates

(₹ in Crores)

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2023
Allergan India Private Limited (Allergan)	India	49.00%
Yapan Bio Private Limited (Yapan)	India	33.33%

Associates

(₹ in Crores)

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2022
Allergan India Private Limited (Allergan)	India	49.00%
Yapan Bio Private Limited	India	27.78%

Notes to the Consolidated financial statements
for the year ended March 31, 2023

E. Other related parties*

Entities controlled by Key Management Personnel*:

Piramal Corporate Services Private Limited (PCSL) (Till March 31, 2022)

Piramal Glass Limited (PGL) (Till March 31, 2022)

Piramal Glass USA Inc. (Till March 31, 2022)

PGP Glass Private Limited (Till March 31, 2022)

*where there are transactions

F. Employee Benefit Trusts

Piramal Pharma Limited Employees PF trust (PPFT)

G. Key Management Personnel (KMP)

Mr. Peter De Young

Ms. Nandini Piramal

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

H. Non Executive/Independent Directors

Mr. S. Ramadorai

Mr. Sridhar Gorthi

Mr. Jairaj Manohar Purandare

Mr. Neeraj Bharadwaj

Mr. Peter Andrew Stevenson

Mr. Rajesh Laddha (upto February 10, 2022)

Ms. Nathalie Leitch (w.e.f. May 24, 2022)

Ms. Vibha Paul Rishi (w.e.f. August 30, 2022)

* where there are transactions during the previous year

DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES FOR THE YEAR ENDED MARCH 31, 2023

2. Details of transactions with related parties

(₹ in Crores)

Details of Transactions	Holding Company		Fellow Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Purchase of Goods										
- Piramal Glass USA Inc.	-	-	-	-	-	-	-	1.08	-	1.08
Total	-	-	-	-	-	-	-	1.08	-	1.08
Sale of Goods										
- Allergan	-	-	-	-	70.04	66.06	-	-	70.04	66.06
- PEL	-	925.96	-	-	-	-	-	-	-	925.96
Total	-	925.96	-	-	70.04	66.06		-	70.04	992.02
Dividend Income										
- Allergan	-	-	-	-	83.79	90.65	-	-	83.79	90.65
Total	-	-	-	-	83.79	90.65	-	-	83.79	90.65
Reimbursement of expenses										
- PEL	-	82.94	-	-	-	-	-	-	-	82.94
- Piramal Glass USA Inc.	-	-	-	-	-	-	-	0.04	-	0.04
Total	-	82.94	-	-	-	-	-	0.04	-	82.98
Receiving of services										
- PEL	-	56.87	-	-	-	-	-	-	-	56.87
Total	-	56.87	-	-	-	-	-	-	-	56.87

Notes to the Consolidated financial statements
for the year ended March 31, 2023

(₹ in Crores)

Details of Transactions	Holding Company		Fellow Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Rendering of Services										
- PGP Glass Private Limited	-	-	-	-	-	-	-	0.05	-	0.05
- PHL Fininvest	-	-	-	0.60	-	-	-	-	-	0.60
- Piramal Alternatives Private Limited (erstwihle 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	-	43.31
Total	-	-	-	-	-	-	-	43.31	-	43.31
Rent Income										
- PHL Fininvest	-	-	-	2.53	-	-			-	2.53
- Piramal Alternatives Private Limited (erstwihle known as Piramal Asset Management Private Limited)	-	-	-	0.26	-	-			-	0.26
Total			-	2.79	-	-	-	-	-	2.79
Guarantee Commission Expenses										
- PEL	-	8.48	-	-	-	-	-	-	-	8.48
Total	-	8.48	-	-	-	-	-	-	-	8.48
Contribution to Funds										
- PPFT	-	-	-	-	-	-	32.46	26.97	32.46	26.97
Total	-	-	-	-	-	-	32.46	26.97	32.46	26.97
Dividend Paid										
- PEL	-	39.94	-	-	-	-	-	-	-	39.94
Total	-	39.94	-	-	-	-	-	-	-	39.94

3. Compensation of key managerial personnel

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

(₹ in Crores)

Particulars	Mar-23	Mar-22
Short-term employee benefits (excluding perquisites)	12.10	8.46
Post-employment benefits	1.10	0.72
Other long-term benefits	0.22	-
Commission and other benefits to non executive / independent directors	2.02	0.72
Total	15.44	9.90

Notes to the Consolidated financial statements
for the year ended March 31, 2023

4. Balances of related parties

(₹ in Crores)

Details of Balances	Holding Company		Fellow Subsidiaries		Associates		Other Related Parties		Total	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Trade Receivables										
- PEL	-	341.99	-	-	-	-	-	-	-	341.99
- Allergan	-	-	-	-	11.95	10.15	-	-	11.95	10.15
- PGP Glass Private Limited	-	-	-	-	-	-	-	0.06	-	0.06
Total	-	**341.99**	-	-	**11.95**	**10.15**	-	**0.06**	**11.95**	**352.20**
Other receivable from related parties										
- PEL	-	11.99	-	-	-	-	-	-	-	11.99
- 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
Total	-	**11.99**	-	**0.63**	-	-	-	-	-	**12.62**
Trade Payables										
- Piramal Glass USA Inc	-	-	-	-	-	-	-	0.67	-	0.67
- PCSL	-	-	-	-	-	-	-	21.51	-	21.51
- PEL	-	79.81	-	-	-	-	-	-	-	79.81
Total	-	**79.81**	-	-	-	-	-	**22.18**	-	**101.99**

41 Property, Plant & Equipment, Brands and Trademarks and Other Financial Assets are mortgaged / hypothecated to the extent of ₹ 4,721.17 Crores (As on March 31, 2022 ₹ 3639.47 Crores) as a security against long term secured borrowings as at March 31, 2023.

Plant & Equipment, Inventories and Trade receivables are hypothecated as a security to the extent of ₹ 2,117.39 Crores (As on March 31, 2022 ₹ 779.43 Crores) against short term secured borrowings as at March 31, 2023.

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Profit attributable to owners of Piramal Pharma Limited (₹ in Crores)	(186.46)	375.96
2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.)*	1,190,133,338	1,178,885,044
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	1,190,133,338	1,178,885,044
4. Earnings Per Share- Basic attributable to Equity Shareholders (₹) (1/2)	(1.57)	3.19
5. Earnings Per Share- Diluted attributable to Equity Shareholders (₹) (1/3)	(1.57)	3.19
6. Face value per share (₹)	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.

43(a) The Parent company conducts research and development to find new sustainable chemical routes for pharmaceutical products. The Parent company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients(API).

The Parent company 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;

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(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue Expenditure*	153.03	140.06
Total	**153.03**	**140.06**
Capital Expenditure, Net		
Additions to Property Plant & Equipments	29.20	7.25
Additions to Intangibles under Development	8.69	8.74
Total	**37.89**	**15.99**

*The amount included in Note 34 under R&D Expenses (net) does not include ₹ 115.28 Crores. (Previous year ₹ 86.82 Crores) relating to Ahmedabad locations.

(b) In addition to the above, R & D Expenses (Net) included under Note 34 "Other Expenses" also includes expenditure incurred by the Group.

44 The Consolidated financial statements for the year ended March 31, 2023 includes the financial information for Piramal Dutch Holdings N.V., Piramal Critical Care Pty. Limited, and PEL Pharma Inc based on their respective audited financial statements for the year ended December 31, 2022 and basis management estimates for the balance period. The financial information of Allergan India Private Limited, Piramal Healthcare Pension Trustees Limited, Yapan Bio Private Limited, Piramal Pharma Solutions B.V, Piramal Pharma Japan GK and PEL Healthcare LLC are based on management estimates for the year ended March 31, 2023 as their audited financial statements were unavailable. The combined revenues from operations and loss for all the above companies is ₹ 197.22 crores and ₹ 16.24 crores, respectively, for the year ended March 31, 2023.

45 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 16 and 21 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term / short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity	6,773.50	6,696.60
Total Equity	**6,773.50**	**6,696.60**
Borrowings- Non Current	3,383.54	2,622.14
Borrowings- Current	2,121.23	1,401.14
Total Debt	**5,504.77**	**4,023.28**
Cash & Cash equivalents	(195.59)	(228.10)
Net Debt	**5,309.18**	**3,795.18**
Debt/Equity Ratio	**0.78**	**0.57**

The terms of the secured borrowings contain certain financial covenants primarily requiring the Company and its subsidiaries to maintain certain financial ratios like Consolidated Net Debt to Consolidated Net Worth, Consolidated Net Debt to Consolidated EBITDA, Debt Service Coverage Ratio at Standalone level, Security Cover ratio. The Company and its two subsidiaries has breached two financial covenants as on the balance sheet date. However, the Company and its two subsidiaries has received a waiver from the lender subsequent to the balance sheet date and before the approval of financial statements.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

46 Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks.

The Senior Management along with a centralized treasury manages the liquidity and interest rate risk on the Balance Sheet.

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 along with the centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk- Interest rate	Short-term borrowings at variable rates	The Senior Management along with the centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk- Securities price risks	Equity Investment	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk- Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Trade receivables and investments	The Senior Management assess the recoverability of investments basis and considered these balances good and fully recoverable. Refer note-9 for trade receivables
Credit risk	Cash and cash equivalents, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Senior Management along with centralized treasury is responsible for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- Undrawn credit lines	95.91	579.35
	95.91	579.35

This includes Short Term Borrowings limits including but not limited to Working Capital Demand Loans, Packing Credits, Letter of Credits, etc. where credit rating has been obtained and which can be issued, if required, within a short period of time.

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

Notes to the Consolidated financial statements
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(₹ in Crores)

Maturities of Financial Liabilities	As at March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2,407.73	2,529.44	1,268.17	85.20
Trade Payables	1,192.71	-	-	-
Lease Liabilities	36.33	40.15	26.22	127.08
Other Financial Liabilities	232.03	-	-	-
	3,868.80	2,569.59	1,294.38	212.28

(₹ in Crores)

Maturities of Financial Liabilities	As at March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	1,489.37	2,107.04	717.73	22.93
Trade Payables	1,026.35	-	-	-
Lease Liabilities	18.91	32.28	23.24	121.65
Other Financial Liabilities	259.43	-	-	-
	2,794.06	2,139.32	740.97	144.58

The following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(₹ in Crores)

Maturities of Financial Assets	As at March 31, 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Receivables	1,799.34	-	-	-
Other Financial Assets	92.42	-	-	21.55
	1,891.76	-	-	21.55

(₹ in Crores)

Maturities of Financial Assets	As at March 31, 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Receivables	1,785.28	-	-	-
Other Financial Assets	50.85	-	-	95.57
	1,836.13	-	-	95.57

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.

b. Interest Rate Risk Management

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Senior Management along with centralised treasury assess the interest rate risk run by it and provide appropriate guidelines to the treasury to manage the risk. The Senior Management along with centralised treasury reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The Senior Management along with centralised treasury reviews the interest rate gap statement and the interest rate sensitivity analysis.

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	5,325.68	3,580.93
Fixed rate borrowings	179.08	442.37
Total	5,504.76	4,023.30

The sensitivity analysis below has been determined based on the exposure to interest rates for liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

If interest rates related to overseas borrowings had been 25 basis points higher/lower and all other variables were held constant,and other borrowings had been 100 basis points higher /lower and all other variables were held constant, the Company's Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2023 would decrease/increase by ₹ 9.55 Crores for Overseas Borrowing and ₹ 15.06 Crores for other borrowings totalling to ₹ 24.29 Crores (Previous year ₹ 15.50 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

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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, 2023		As at March 31, 2022	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Forward contracts to sell USD / INR	105.50	873.54	140.00	1,083.05
Forward contracts to sell USD / JPY	4.05	3,328.09	-	-
Forward contracts to sell USD / GBP	21.00	17,256.75	-	-
Forward contracts to sell USD / CAD	32.00	26,296.00	-	-

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

Currencies	As at March 31, 2023				As at March 31, 2022			
	Trade receivables		Trade Payables/ Advances to Supplier		Trade receivables		Trade Payables/ Advances to Supplier	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
EUR	12.87	115.21	14.19	127.11	14.68	123.64	1.60	13.49
USD	88.66	728.55	35.71	293.46	84.71	642.09	26.00	197.07
GBP	5.21	51.86	3.63	36.57	2.22	22.08	0.85	8.44
AUD	1.08	6.22	0.00	0.01	0.73	4.14	0.00	0.02
CAD	7.45	45.22	(0.00)	(0.02)	7.30	44.15	(0.00)	(0.02)
SGD	-	-	-	-	0.08	0.43	0.00	0.00
ZAR	35.40	16.35	0.10	0.05	9.73	5.08	-	-
HKD	0.59	0.62	-	-	0.46	0.44	0.03	0.02
IDR	25,370.58	13.91	1,407.40	0.77	36,175.29	19.17	12,981.62	6.88
YEN	157.98	9.73	0.13	0.01	226.89	14.10	6.07	0.38
CZK	46.83	17.79	0.74	0.28	45.53	15.66	0.64	0.22
INR	-	-	-	-	-	-	-	-
THB	-	-	0.78	0.19	-	-	0.43	0.10
SEK	-	-	0.03	0.02	-	-	0.03	0.02
AED	-	-	0.07	0.15	-	-	0.07	0.14
CHF	0.13	1.13	0.10	1.31	0.09	0.74	0.20	1.65

Currencies	As at March 31, 2023				As at March 31, 2022			
	Loan from Banks		Current Account Balances		Loan from Banks		Current Account Balances	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	10.36	85.12	33.61	276.18	-	-	33.90	257.05
EUR	-	-	(7.03)	(62.85)	1.87	15.78	(11.13)	(93.70)
GBP	-	-	-	-	0.78	7.80	-	-

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Currencies	As at March 31, 2023		As at March 31, 2022	
	Cash & Cash Equivalents		Cash & Cash Equivalents	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	(0.16)	(1.36)	(0.22)	(1.67)
GBP	(0.15)	(1.98)	(0.19)	(1.86)
CHF	0.10	0.93	0.01	0.81
EUR	2.91	25.84	0.23	1.94
CZK	4.11	1.57	4.47	1.54
ZAR	0.47	0.22	0.24	0.13
IDR	7,459.29	4.09	1,302.96	0.69
YEN	85.02	5.24	0.03	0.00
AUD	-	-	0.00	0.01

Of the above, the Group is mainly exposed to USD, GBP, EUR, CAD & 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.

(₹ in Crores)

Currencies	Increase/Decrease	As at March 31, 2023				As at March 31, 2022			
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (₹ In Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year (₹ In Crores)
USD	Increase by 5%#	135.86	183.80	4.11	(19.70)	221.62	26.22	3.79	74.06
USD	Decrease by 5%#	135.86	183.80	(4.11)	19.70	221.62	26.22	(3.79)	(74.06)
GBP	Increase by 5%#	5.07	6.13	0.50	(0.05)	4.22	1.82	4.97	1.19
GBP	Decrease by 5%#	5.07	6.13	(0.50)	0.05	4.22	1.82	(4.97)	(1.19)
EUR	Increase by 5%#	14.76	21.77	0.41	(0.28)	14.91	14.60	4.21	0.13
EUR	Decrease by 5%#	14.76	21.77	(0.41)	0.28	14.91	14.60	(4.21)	(0.13)
CHF	Increase by 5%#	0.23	0.10	0.45	0.01	0.10	0.20	4.10	(0.04)
CHF	Decrease by 5%#	0.23	0.10	(0.45)	(0.01)	0.10	0.20	(4.10)	0.04
CAD	Increase by 5%#	7.45	(0.00)	0.30	0.23	7.30	(0.00)	0.30	0.22
CAD	Decrease by 5%#	7.45	(0.00)	(0.30)	(0.23)	7.30	(0.00)	(0.30)	(0.22)

Holding all the variables constant

d. Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

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

The Group 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.

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.

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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.

i The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended March 31, 2023 and 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.	Highly probable forecast sales	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

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

As at March 31, 2023

(₹ in Crores)

Particulars	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 reclassifica-tion
Foreign exchange forward contracts	10.50 (USD)	-	0.97	(77.14)	-	Not applicable	61.36	Revenue

As at March 31, 2022

(₹ in Crores)

Particulars	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

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

(₹ in Crores)

Particulars	March 31, 2023				March 31, 2022			
	Total	Less than 1 year	1-5 years	Over 5 years	Total	Less than 1 year	1-5 years	Over 5 years
Foreign currency risk:								
Forward exchange contracts	10.50 (USD)	10.50 (USD)	-	-	13.00 (USD)	13.00 (USD)	-	-
Average INR:USD forward contract rate	83.11	83.11	-	-	77.87	77.87	-	-

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

Particulars	As at March 31, 2023
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 year	(0.18)
Effective portion of changes in fair value:	
Foreign exchange forward contracts	7.68
Tax on movements on reserves during the year	(2.00)
Closing balance as at March 31, 2022	12.09
Effective portion of changes in fair value:	
Foreign exchange forward contracts	(103.09)
Tax on movements on reserves during the year	25.95
Net amount reclassified to profit or loss:	
Effective portion of changes in fair value:	
Foreign exchange forward contracts	82.34
Tax on movements on reserves during the year	(20.65)
Closing balance as at March 31, 2023	(3.36)

47 Movement in Provisions :

(₹ in Crores)

Particulars	Onerous Contracts	
	As at	
	March 31, 2023	March 31, 2022
Balances as at the beginning of the year	0.08	0.08
Revaluation of closing balances	0.01	*
Balances as at the end of the year	0.09	0.08
Classified as Non-current (Refer note 18)	0.09	0.08
Total	0.09	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

(₹ in Crores)

Particulars	Within India		Outside India		Total	
	March 2023 (Audited)	March 2022 (Audited)	March 2023 (Audited)	March 2022 (Audited)	March 2023 (Audited)	March 2022 (Audited)
Revenue from operations	1,444.49	1,225.55	5,637.06	5,333.55	7,081.55	6,559.10
Carrying amount of Non current Assets*	3,170.92	2,855.12	5,903.37	5,249.59	9,074.29	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 (Previous year 1 customer)

Notes to the Consolidated financial statements
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49 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

(₹ in Crores)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current tax		
In respect of the current year	97.94	191.13
In respect of prior years	12.46	-
	110.40	191.13
Deferred tax		
Deferred Tax, net	(44.09)	(82.11)
	(44.09)	(82.11)
Total tax expense recognised	66.31	109.02

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

(₹ in Crores)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	(16.28)	(5.38)
Fair value remeasurement of hedging instruments entered into for cash flow hedges	5.30	(2.18)
Remeasurement of defined benefit obligation	0.87	(0.07)
Total tax expense recognised	(10.11)	(7.63)

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets (net)	349.30	297.27
Deferred tax liabilities (net)	(219.31)	(192.01)
	129.99	105.26

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of deferred tax during the year ended March 31, 2023

Particulars	Balance as at April 01, 2022	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquired through business combination (Refer note 63A(i))	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Expected Credit Loss on Trade Receivables	0.99	9.94	-	-	-	10.93
Brought forward losses	319.56	27.15	8.72	-	-	355.43
Recognition of lease rent expense	0.22	(6.94)	-	-	(3.72)	(10.44)
Disallowances for items allowed on payment basis	74.64	(0.52)	5.36	-	-	79.48
Unrealised profit margin on inventory	7.17	4.55	-	-	-	11.72
Property, Plant and Equipment and Intangible assets	(285.81)	(12.22)	(9.43)	-	(9.84)	(317.30)
Remeasurement of defined benefit obligation	0.75	-	-	0.87	-	1.62
Fair value measurement of derivative contracts	(1.76)	(3.41)	-	5.30	-	0.13
Debt EIR impact	(0.07)	1.12	-	-	-	1.05
Other temporary differences	(10.43)	8.15	(0.35)	-	-	(2.63)
Exchange differences on long term loans designated as net investments transferred to OCI	-	16.28	-	(16.28)	-	-
Total	105.26	44.10	4.30	(10.11)	(13.56)	129.99

Notes to the Consolidated financial statements
for the year ended March 31, 2023

Movement of deferred tax during the year ended March 31, 2022

(₹ in Crores)

Particulars	Balance as at April 01, 2021	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Acquired through business combination (Refer note 63A(i))	Closing balance
Deferred tax (liabilities)/assets in relation to:						
Expected Credit Loss on Trade Receivables	0.24	0.75	-	-	-	0.99
Brought forward losses	239.87	69.30	10.39	-	-	319.56
Recognition of lease rent expense	0.07	0.15				0.22
Disallowances for items allowed on payment basis	15.05	58.20	1.39	-	-	74.64
Unrealised profit margin on inventory	20.65	(13.48)		-	-	7.17
Property, Plant and Equipment and Intangible assets	(246.52)	(36.65)	(3.59)	-	0.95	(285.81)
Debt EIR impact	(0.14)	0.07	-	-	-	(0.07)
Remeasurement of defined benefit obligation	0.82	-	-	(0.07)	-	0.75
Fair value measurement of derivative contracts	(4.30)	4.72	-	(2.18)	-	(1.76)
Other temporary differences	(4.11)	(6.33)	0.01	-	-	(10.43)
Exchange differences on long term loans designated as net investments transferred to OCI	-	5.38	-	(5.38)	-	-
Total	21.63	82.11	8.20	(7.63)	0.95	105.26

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

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consolidated Profit before share of net profit of associates and after exceptional items	(174.48)	425.95
Income tax expense calculated at 25.17%	(43.89)	107.21
Effect of expenses that are not deductible in determining taxable profit	20.25	5.88
Utilisation of previously unrecognised tax losses	(4.16)	(20.99)
Effect of incomes which are taxed at different rates	5.99	(4.22)
Expense reversed in books, earlier disallowed in tax	(2.01)	-
Deferred tax asset created on unrecognized tax losses of previous years	-	(47.94)
Investment tax credits	7.89	-
Tax losses for which no deferred income tax is recognised	52.56	58.63
Temporary differences for which no deferred income tax was recognised	-	6.89
Unrealised profit margin on inventory on which deferred tax asset is not created	(0.01)	(0.82)
Effect of prior year provision reversal	(3.10)	-
Prior year tax on account of 80M deduction	7.74	-
Dividend paid recognised as income in tax books-Refer Note C of SOCIE	13.49	-
Dividend from associate adjusted to investment	21.09	-
Others	6.25	4.39
Income tax expense recognised in consolidated statement of profit and loss	66.31	109.02

The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the year ended March 31, 2023 and March 31, 2022 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 year, the Group has recognized Deferred Tax Asset of ₹ 30.26 Crores (Previous years ₹ 47.94 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 ₹ 189.07 Crores (Previous period ₹ 193.23 Crores) as at March 31, 2023 in respect of unused tax losses, temporary differences and tax credits was not recognized by the Group, considering that the Company and its subsidiaries had a history of tax losses for recent years. Unrecognized Deferred tax of ₹ 189.07 Crores (Previous period ₹ 193.23 Crores) as at March 31, 2023 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of ₹ Nil (Previous period ₹ Nil) as at March 31, 2023 are attributable to carry forward tax losses which expires in various years upto December 31, 2037.

Deferred income taxes are not recognised on the undistributed earnings of subsidiaries, associates where it is expected that the earnings will not be distributed in the foreseeable future or where the tax credit can be availed by the holding company.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

50 (a). Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2023		Share in Profit/ (Loss) for the year ended March 31, 2023		Share in Other Comprehensive Income/ (Loss) for the year ended March 31, 2023		Share in Total Comprehensive Income/(Loss) for the year ended March 31, 2023	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Parent								
Piramal Pharma Limited	77.67%	5,261.21	-37.39%	69.72	-10.25%	(18.02)	-485.03%	51.70
Subsidiaries								
Indian								
Piramal Pharma II Private Limited	0.50%	33.62	0.21%	(0.39)	0.00%	-	3.65%	(0.39)
Foreign								
Piramal Dutch Holdings N.V.	24.61%	1,666.77	40.26%	(75.07)	-40.06%	(70.43)	1365.04%	(145.50)
Piramal Healthcare Inc.	23.82%	1,614.23	-22.70%	42.33	62.02%	109.02	-1419.93%	151.35
Piramal Critical Care, Inc.	18.03%	1,221.53	-148.46%	276.81	44.92%	78.97	-3337.76%	355.78
Piramal Pharma Inc.	0.21%	14.51	0.22%	(0.41)	0.65%	1.15	-6.91%	0.74
PEL Pharma Inc.	-2.13%	(144.49)	20.98%	(39.12)	-27.86%	(48.98)	826.56%	(88.10)
Ash Stevens LLC	10.86%	735.58	-37.51%	69.93	30.20%	53.09	-1154.10%	123.02
Piramal Pharma Solutions Inc.	-10.57%	(716.28)	90.69%	(169.10)	-26.05%	(45.80)	2016.14%	(214.90)
Piramal Critical Care Italia, S.P.A	0.23%	15.78	3.53%	(6.59)	2.23%	3.92	25.04%	(2.67)
Piramal Critical Care Deutschland GmbH	0.06%	3.82	7.33%	(13.67)	0.23%	0.41	124.43%	(13.26)
Piramal Healthcare (UK) Limited	9.60%	650.20	23.30%	(43.45)	7.05%	12.40	291.32%	(31.05)
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	-0.87%	(58.79)	68.59%	(127.88)	1.26%	2.21	1179.03%	(125.67)
Piramal Healthcare (Canada) Limited	11.05%	748.54	-23.37%	43.58	0.94%	1.66	-424.43%	45.24
Piramal Critical Care South Africa (Pty) Ltd	0.14%	9.42	-1.52%	2.83	-0.54%	(0.94)	-17.74%	1.89
Piramal Critical Care B.V.	-0.94%	(63.62)	13.75%	(25.64)	-2.19%	(3.86)	276.76%	(29.50)
Piramal Critical Care Pty. Ltd.	0.04%	2.44	0.11%	(0.20)	-0.05%	(0.08)	2.65%	(0.28)
PEL Healthcare LLC (w.e.f June 26, 2020)	0.30%	20.65	37.71%	(70.31)	3.13%	5.50	607.98%	(64.81)
Piramal Pharma Japan GK (w.e.f November 21, 2021)	0.00%	-	0.07%	(0.12)	-0.22%	(0.38)	4.71%	(0.50)
Piramal Pharma Solutions (Dutch) BV	0.00%	0.06	-0.03%	0.05	0.00%	-	-0.51%	0.05
Piramal Critical Care ΜΟΝΟΠΡΟΣΩΠΗ I.K.E (wef Feb 28, 2023)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	0.71%	48.41	-29.03%	54.13	0.00%	-	-507.82%	54.13
Yapan Bio Private Limited (w.e.f. December 20, 2021)	1.80%	121.71	-0.11%	0.20	0.00%	-	-1.88%	0.22
Consolidation Adjustments	-65.13%	(4,411.79)	93.38%	(174.11)	54.58%	95.96	732.97%	78.13
Total	**100.00%**	**6,773.51**	**100.00%**	**(186.46)**	**100.00%**	**175.80**	**100.00%**	**(10.66)**

Notes to the Consolidated financial statements
for the year ended March 31, 2023

50 (b). Disclosures mandated by Schedule III by way of additional information

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2022		Share in Profit for the year ended March 31, 2022		Share in Other Comprehensive Expense for the year ended March 31, 2022		Share in Total Comprehensive Loss for the year ended March 31, 2022	
	As a % of Consolidated net assets	Amount (₹ in Crores)	As a % of Consolidated profit	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Expense	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Loss	Amount (₹ in Crores)
Parent								
Piramal Pharma Limited	75.67%	5,067.35	91.25%	343.04	6.86%	6.77	73.69%	349.81
Subsidiaries								
Indian								
Convergence Chemicals Private Limited (w.e.f February 25, 2021)	2.18%	146.07	3.85%	14.49	-0.13%	(0.13)	3.03%	14.36
Hemmo Pharmaceuticals Private Limited (w.e.f June 22, 2021)	2.01%	134.49	7.04%	26.47	-0.09%	(0.09)	5.56%	26.38
Foreign								
Piramal Dutch Holdings N.V.	27.06%	1,812.15	-16.13%	(60.63)	-27.61%	(27.26)	-18.52%	(87.89)
Piramal Healthcare Inc.	21.84%	1,462.87	59.65%	224.26	41.81%	41.28	55.94%	265.54
Piramal Critical Care, Inc.	12.93%	865.75	31.73%	119.28	31.37%	30.97	31.65%	150.25
Piramal Pharma Inc.	0.21%	13.77	-0.02%	(0.09)	0.50%	0.49	0.08%	0.40
PEL Pharma Inc.	-0.85%	(56.74)	-6.12%	(23.01)	-20.98%	(20.72)	-9.21%	(43.73)
Ash Stevens LLC	9.15%	612.56	9.70%	36.45	21.27%	21.00	12.10%	57.45
Piramal Pharma Solutions Inc.	-7.49%	(501.27)	-21.42%	(80.52)	-15.98%	(15.78)	-20.29%	(96.30)
Piramal Critical Care Italia, S.P.A	0.28%	18.45	-0.75%	(2.81)	-0.30%	(0.30)	-0.65%	(3.11)
Piramal Critical Care Deutschland GmbH	0.14%	9.22	-2.92%	(10.97)	-0.32%	(0.32)	-2.38%	(11.29)
Piramal Healthcare (UK) Limited	10.17%	681.25	3.84%	14.44	-8.70%	(8.59)	1.23%	5.85
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	1.00%	66.89	-24.74%	(93.00)	3.91%	3.86	-18.78%	(89.14)
Piramal Healthcare (Canada) Limited	10.50%	703.30	19.12%	71.89	27.56%	27.21	20.88%	99.10
Piramal Critical Care South Africa (Pty) Ltd	0.11%	7.54	0.53%	2.00	0.38%	0.38	0.50%	2.38
Piramal Critical Care B.V.	-0.51%	(34.12)	-7.64%	(28.72)	0.92%	0.91	-5.86%	(27.81)
Piramal Critical Care Pty. Ltd.	0.04%	2.71	0.14%	0.52	0.06%	0.06	0.12%	0.58
PEL Healthcare LLC (w.e.f June 26, 2020)	1.27%	85.27	-12.12%	(45.56)	3.93%	3.88	-8.78%	(41.68)
Piramal Pharma Japan GK (w.e.f November 21, 2021)	0.01%	0.50	-0.03%	(0.13)	-0.03%	(0.03)	-0.03%	(0.16)
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	1.17%	78.09	15.71%	59.07	0.00%	-	12.44%	59.07
Yapan Bio Private Limited (w.e.f. December 20, 2021)	1.52%	101.73	-0.01%	(0.04)	0.00%	-	-0.01%	(0.04)
Consolidation Adjustments	-68.41%	(4,581.23)	-50.66%	(190.47)	35.60%	35.15	-32.72%	(155.32)
Total	**100.00%**	**6,696.60**	**100.00%**	**375.96**	**100.00%**	**98.74**	**100.00%**	**474.70**

Notes to the Consolidated financial statements
for the year ended March 31, 2023

51 Fair Value Measurement

Financial Instruments by category:

a) Categories of Financial Instruments:

(₹ in Crores)

	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments in Equity shares	55.99	-	50.34	-
Investments in Mutual funds	412.88	-	37.01	-
Cash & Bank Balances	-	307.56	-	328.99
Trade Receivables	-	1,799.34	-	1,785.28
Other Financial Assets	23.16	90.81	7.48	138.94
	492.03	2,197.71	94.83	2,253.21
Financial liabilities				
Borrowings (including Current Maturities of Long Term Debt)	-	5,504.76	-	4,023.28
Trade Payables	-	1,192.71	-	1,026.35
Lease Liability	-	132.32	-	104.64
Other Financial Liabilities	4.94	227.09	-	259.43
	4.94	7,056.88	-	5,413.70

The Company considers that carrying amounts of financial assets and financial liabilities disclosed above approximate their fair values.

b) Fair Value Hierarchy and Method of Valuation

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

(₹ in Crores)

Financial Assets	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Shares	iii	55.99	-	-	55.99	55.99
Investment in Mutual Funds	i	412.88	412.88	-	-	412.88
Other Financial Assets - Current						
Derivative Financial Assets	ii	23.16	-	23.16	-	23.16

(₹ in Crores)

Financial Liabilities	March 31, 2023					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long-Term Borrowings)	iii	5,504.76	-	-	5,503.93	5,503.93
Measured at FVTPL - Recurring Fair Value Measurements						
Derivative Financial Liability	ii	4.94	-	4.94	-	4.94

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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	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	March 31, 2022					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long-Term Borrowings)	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, Debentures and Term Loans included in level 3.

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 Consolidated 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 year ended March 31, 2023 and March 31, 2022.

(₹ in Crores)

Particulars	
As at March 31, 2021	13.00
Acquisitions	15.44
Gains recognised in consolidated profit or loss	21.18
Exchange Fluctuations	0.72
As at March 31, 2022	50.34
Gains recognised in consolidated profit or loss	0.98
Exchange Fluctuations	4.67
As at March 31, 2023	55.99

Notes to the Consolidated financial statements
for the year ended March 31, 2023

d) Management uses its best judgment in estimating the fair value of its financial instruments. 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 Consolidated Balance Sheet

Right-of-use assets

Movement during the year ended March 31, 2023

(₹ in Crores)

Category of Asset	Opening as on April 1, 2022	Acquired on account of demerger*	Additions during 2022-23	Deductions during 2022-23	Amortization for 2022-23	Foreign currency translation impact	Closing as on March 31, 2023
Building	95.67	5.40	50.41	1.01	30.89	(1.37)	118.21
Leasehold Land	82.00	19.79	2.86	-	2.07	-	102.58
Property, Plant and Equipments	0.85	-	6.79	-	2.77	(0.19)	4.68
Total	**178.52**	**25.19**	**60.06**	**1.01**	**35.74**	**(1.55)**	**225.48**

Lease liabilities as on March 31, 2023 132.31

Movement during the year ended March 31, 2022

(₹ in Crores)

Category of Asset	Opening as on April 1, 2021	Acquired on account of Business Combination@	Additions during 2021-22	Deductions during 2021-22	Amortization for 2021-22	Foreign currency translation impact	Closing as on March 31, 2022
Building	107.82	-	10.00	0.93	25.68	4.46	95.67
Leasehold Land	21.49	54.09	6.69	-	0.27	-	82.00
Property, Plant and Equipments	0.87	0.50	-	-	0.52	-	0.85
Total	**130.18**	**54.59**	**16.69**	**0.93**	**26.47**	**4.46**	**178.52**

Lease Liabilities as on March 31, 2022 104.64

*Refer note 63 (A) (I)

@ Refer note 63 (B) (I)

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

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

(₹ in Crores)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on lease liabilities (included in finance cost)	7.15	5.73
Expense relating to short-term leases (included in Operating Expenses)	16.58	12.52
Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses)	15.52	15.73

The weighted average incremental borrowing rate applied to lease liabilities ranges between 5% to 8.91%. (Previous year 2.51% to 11.77%)

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	36.33	18.91
1-3 years	40.15	32.28
3-5 years	26.22	23.24
More than 5 years	127.08	121.65

Notes to the Consolidated financial statements
for the year ended March 31, 2023

53 Trade Receivables ageing (#)

As at March 31, 2023

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables :							
Considered Good	1,339.97	434.31	24.45	0.61	-	-	1,799.34
Considered doubtful	-	-	7.10	46.57	8.46	40.05	102.18
Disputed Trade Receivables :							
Considered doubtful	-	1.08	0.16	-	-	-	1.24
Total	**1,339.97**	**435.39**	**31.71**	**47.18**	**8.46**	**40.05**	**1,902.76**

As at March 31, 2022

(₹ in Crores)

Ageing of receivables	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables :							
Considered Good	1,373.57	380.68	33.33	3.12	-	-	1,790.70
Considered doubtful	-	0.05	1.34	7.00	6.41	34.30	49.10
Total	**1,373.57**	**380.73**	**34.67**	**10.12**	**6.41**	**34.30**	**1,839.80**

Where due date has not been specified, ageing has been calculated basis transaction date.

54 Trade Payable Ageing

As at March 31, 2023

(₹ 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	24.42	7.63	0.22	0.01	0.24	32.52
(ii) Others	192.63	174.52	1.23	1.95	4.01	374.34
Total	**217.05**	**182.15**	**1.45**	**1.96**	**4.25**	**406.86**

As at March 31, 2022

(₹ in Crores)

Financial Assets	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	36.58	12.42	0.21	-	0.24	49.45
(ii) Others	113.08	208.66	0.49	1.28	3.22	326.73
Total	**149.66**	**221.08**	**0.70**	**1.28**	**3.46**	**376.18**

Accrued expenses amount to ₹ 785.85 Crores as on March 31, 2023 (as on March 31, 2022 - ₹ 650.17 Crores)

55 Capital work in-progress (CWIP)

i. Ageing for Capital work in-progress (CWIP) as at March 31, 2023

(₹ in Crores)

Capital work in-progress (CWIP)*	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
a. Projects in progress	432.26	120.87	19.54	164.40	737.08

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

(₹ in Crores)

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

*Above disclsoure includes entities in the Group having balance of more than 10% of total capital work in progress.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

ii. Project wise details of CWIP project whose completion is overdue or has exceeded its cost compared to its original plan. *

As at March 31, 2023

(₹ in Crores)

Capital work in-progress (CWIP)	To be completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
1 Project-0542	46.27	-	-	-	46.27
2 Project-0947	8.03	-	-	-	8.03
3 Project-1114	7.86	-	-	-	7.86
4 Project-0703	2.88	-	-	-	2.88
5 Project-1155	1.63	-	-	-	1.63
6 Project-1359	1.45	-	-	-	1.45
7 Project-1171	1.38	-	-	-	1.38
8 Project-1120	0.83	-	-	-	0.83
9 Project-0550	0.78	-	-	-	0.78
10 Project-0001 & 0002	-	142.76	-	-	142.76

As at March 31, 2022

(₹ in Crores)

Capital work in-progress (CWIP)	To be completed in				
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress					
1. Project-0001 & 0002	-	131.68	-	-	131.68
2. Project-0542	64.11	-	-	-	64.11
3. Project-0020	19.36	-	-	-	19.36

*Above disclsoure includes entities in the Group having balance of more than 10% of total Intangible assets under development.

56 Intangible Assets under Development (IAUD)

i. Ageing for Intangible Assets under Development (IAUD) as at March 31, 2023 ^

(₹ in Crores)

Assets under Development (IAUD)*	Amount in IAUD for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
a. Projects in progress	79.35	267.50	41.03	116.70	504.58

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

(₹ in Crores)

Assets under Development (IAUD)*	Amount in IAUD for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
a. Projects in progress	264.62	40.91	34.56	80.74	420.83

*Above disclsoure includes entities in the Group having balance of more than 10% of total Intangible assets under development.

^There are no material projects which are delayed from its original planned cost or time

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

Notes to the Consolidated financial statements
for the year ended March 31, 2023

58 The Company has transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, and disclosed as under:

(₹ in Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2023
Aquamax Hydrosytems Private Ltd	Receivable	*
BA Tec Services Pvt Ltd	Payable	*
EMS Networks Pvt Ltd	Payable	*
Epic Attires Private Limited	Payable	*
Secureplus Allied Private Limited	Payable	0.02
Waaree Retails LLP	Receivable	*
Welink Smo India Private Limited	Payable	*
Winsel Marketing Pvt Ltd	Payable	*
DRK Enterprise	Receivable	0.03
Manish Petro Chem Pvt Ltd	Payable	*
Micro Pathology Services P Ltd	Receivable	*
Mommymia Dream World Pvt Ltd	Payable	*
Nitin Polymers Pvt Ltd	Payable	*
Oracle Biotech (India) Private Ltd	Payable	*
Orbit Medi Soultion'S Pvt Ltd	Payable	*
Qual Pharma Health Solutions Pvt Ltd	Payable	*
Rama Comprint Pvt Ltd	Receivable	*
Suguna Poultry Farm Ltd	Payable	*
Suruchi Foods Limited	Payable	*
Transworld Pharma Private Ltd	Payable	*

(₹ in Crores)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at March 31, 2022
Balance with Piramal Pharma Limited		
Central Agency & Services Private Limited	Receivables	0.01
Welink Smo India Private Limited	Payable	*
EMS Networks Pvt Ltd	Payable	*
Secureplus Allied Private Limited	Payable	0.03
Apex Associates Private Limited	Payable	*
Epic Attires Private Limited	Payable	*
Balance with Convergence Chemical Pharma Limited		
Graphite India Limited	Payable	-

* below rounding off norms adopted by the Group

These are not related parties under Section 2(76) of the Companies Act, 2013

59 The Group and its associates have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

60 The Group and its associates have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

61 The Group and its associates have not traded or invested in crypto currency during the year ended March 31, 2023.

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.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

63. Business Combination

Summary of business combination during the current year

A. Composite scheme of arrangement

I. The Composite Scheme of Arrangement between the Piramal Pharma Limited (""the Company""), Piramal Enterprises Limited ('PEL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme'), submitted pursuant to the approval of Board of Directors of the Company at their meeting held on October 7, 2021, was approved by National Company Law Tribunal on August 12, 2022 ("approval date") with an appointed date of 1st April, 2022 ("appointed date"). Effect of the Scheme has resulted into,

a) Business combination accounting following the purchase price allocation of assets and liabilities acquired of Demerged Undertaking (as defined in the Scheme) in accordance with Ind-AS 103 'Business Combination', cancellation of 94,72,49,806 (nos.) equity shares of face value of ₹ 10 each issued to PEL and fresh issuance of 95,46,54,800 (nos.) equity shares of face value of ₹ 10 each to the shareholders of PEL, and elimination of intercompany transactions, (including dividend) for the interim period (i.e. from appointed date to approval date).Accordingly, the financial statements for the current year may not be comparable with the Financial Statements for the previous year

b) Amalgamation of CCPL and HPPL, wholly owned subsidiaries, using 'the pooling of interest method', as if the amalgamation had occurred on 1st April, 2021 or from the date on which the 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)."

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

Particulars	₹ in Crores
Assets	
Property, Plant and Equipment	73.34
Capital work in progress	3.50
Right of use assets	25.19
Other Non-current Financial Assets	2.65
Inventory	212.91
Trade Receivables	134.46
Other current Financial Assets	55.78
Other current Assets	78.68
Total Assets	**586.51**
Liabilities	
Trade payable	459.18
Deferred tax liability	13.56
Lease Liability	5.68
Other current financial liabilities	4.59
Other current liabilities	2.78
Non-current Provisions	2.16
Current Provisions	5.05
Total Liabilities	**493.00**
Net identifiable assets acquired	**93.51**

Calculation of goodwill

Particulars	₹ in Crores
Consideration	100.93
Less: Net identifiable assets acquired	93.51
Goodwill	**7.42**

Credit/Charge to P&L

Cost in relation to merger of pharma division of ₹ 6.96 Crores were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2023 under the head - Exceptional items.

Notes to the Consolidated financial statements
for the year ended March 31, 2023

Revenue and profit contribution

It is impracticable to give revenue and profit contribution of pharma division of Piramal Enterprises Limited as it is not tracked separately post demerger.

Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	134.46
Gross contractual amount for trade receivables	134.46
Contractual cash flows not expected to be collected	-

63 Business Combinations

B Summary of acquisitions during the year

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

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

Particulars	₹ in Crores
Assets	
Property, Plant and Equipment	36.13
Capital work in progress	0.11
Intangible assets	405.62
Intangible asset under development	197.87
Right of use assets	54.59
Investments	0.11
Other Non-current Assets	0.38
Inventory	26.34
Trade Receivables	20.44
Cash and cash equivalents & bank balances	77.02
Loans	0.40
Other Non-Current Financial Assets	0.44
Other current Assets	20.68
Deferred Tax Assets	0.95
Total Assets	**841.08**
Liabilities	
Trade payable	63.94
Other Current Liabilities	17.30
Lease Liability	0.06
Other Liabilities	0.03
Non-current Provisions	1.34
Current Tax Liabilities	1.57
Current Provisions	0.43
Total Liabilities	**84.67**
Net identifiable assets acquired	**756.41**

Notes to the Consolidated financial statements
for the year ended March 31, 2023

(b) Calculation of goodwill

Particulars	₹ in Crores
Purchase consideration	901.47
Less: Net identifiable assets acquired	756.41
Goodwill	**145.06**

Goodwill is attributable to the synergies to arise from the combination of the acquired technical knowhow and the Piramal Group's Global sales and marketing network which will augment the CDMO offering and allow PPL to provide integrated offerings across the pharmaceutical development cycle. Goodwill is not deductible for tax purpose.

(c) Revenue and profit contribution

The revenues and profits contributed to the group for the year ended March 31, 2022 are as follows:

Particulars	₹ in Crores
Revenue	121.62
Profit before tax	35.55

(d) Credit/Charge to P&L

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

(e) Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	20.44
Gross contractual amount for trade receivables	20.44
Contractual cash flows not expected to be collected	-

(f) Purchase consideration - cash outflow

Particulars	₹ in Crores
Net outflow of cash- investing activities	790.74

* below r/off norms adopted by group

64

(₹ in Crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Miscellaneous Expenses in Note 34 includes Auditors' Remuneration in respect of:		
A) Statutory Auditors:		
a) Audit Fees	1.00	0.90
b) Other Services	0.63	0.60
c) Out of Pocket Expenses	*	-

* below r/off norms adopted by group

Notes to the Consolidated financial statements
for the year ended March 31, 2023

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

(₹ in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount outstanding to suppliers registered under the MSMED act and remaining unpaid as at year end	32.52	49.45
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.16	0.04
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	207.26	163.56
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest due and payable towards suppliers registered under MSMED Act, for Payments already made	4.40	1.62
The amount of interest accrued and remaining unpaid at the end of accounting year	4.56	5.33

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

67 The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period for the companies incorporated in India.

68 The companies incorporated in India holds the title deeds of all immovable properties in their name.

69 As per MCA notification dated August 05,2022, the Central Government has notified that Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the companies are required to maintain back up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the companies are required to create back up on servers physically located in India on a daily basis.

The Turbhe Site (a business merged during the year in "Piramal Phrama Limited" (the Company)) is maintaining the books of account in electronic mode. In the interim period, the site was taking a backup on a work day basis instead of daily. To comply with this requirement , the site has started taking daily backup subsequent to the balance sheet date.

Piramal Pharma II Private Limited (a subsidiary of "the Company") is incorporated during the year and is yet to commence operations. Presently, the books of accounts are maintained in electronic mode. The subsidiary is in the process of implementing an accounting software including the process of complying with the requirement of taking daily backup of books of accounts.

70 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.

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

Signature to note 1 to 71 of the Consolidated financial statements.

For and on behalf of the Board of Directors

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

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

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

Notice

NOTICE is hereby given that the 3rd Annual General Meeting ('AGM') of the Members of Piramal Pharma Limited will be held on Monday, July 31, 2023 at 3:00 p.m. Indian Standard Time ('IST') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Neeraj Bharadwaj (DIN: 01314963), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Re-appointment of Mr. Peter DeYoung as Executive Director of the Company

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

"RESOLVED THAT subject to and in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) modification(s) or re-enactment thereof for the time being in force) and the relevant provisions of the Articles of Association of the Company, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Peter DeYoung (DIN:07152550) as Whole-Time Director, designated as 'Executive Director' of the Company, liable to retire by rotation, for a term of 3 (three) years effective from October 6, 2023, on the terms and conditions including payment of remuneration, perquisites and benefits as set out in the draft of the agreement to be entered into between the Company and Mr. Peter DeYoung, main terms of which are set out hereunder, which have been approved and recommended by the Nomination & Remuneration Committee and the Board of Directors, which draft agreement is hereby approved, with liberty and power to the Board of Directors ('the Board' which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution) to re-designate him and/or reallocate his duties and responsibilities and to grant annual increments and to alter and vary from time to time the terms and conditions of Mr. DeYoung's appointment, including the amount and type of perquisites, allowances and benefits to be provided to Mr. DeYoung subject to the applicable provisions of the Act, including Schedule V thereof:

a. **Total Fixed Pay** (as defined herein below) of an amount not exceeding ₹ 4,24,50,000/- (including basic salary of ₹ 1,69,79,980/-) for FY 2023-24, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of his appointment, subject to the applicable provisions of Schedule V of the Act as may be amended from time to time PROVIDED THAT such annual increments and/ or revisions shall not exceed 30% per annum or such other amount as may be approved by the Board from time to time;

b. **Perquisites and Allowances:** Mr. DeYoung will be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, leave travel allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/ or contribution to gratuity fund, chauffeur driven Company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

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

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

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

c. **Performance Linked Incentive:** In addition to Total Fixed Pay, Mr. DeYoung shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Act, taking into consideration various criteria, including the performance of Mr. DeYoung and the performance of the Company PROVIDED THAT the total Performance Linked Incentive shall not exceed 50% per annum of the last drawn Total Fixed Pay or such other amount as may approved by the Board from time to time;

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Mr. DeYoung shall be entitled to receive the aforesaid remuneration, perquisites, Performance Linked Incentive and benefits on the same terms as set out above, as the minimum remuneration for a period not exceeding the aforementioned period of re-appointment, subject to compliance with the applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

4. Re-appointment of Ms. Nandini Piramal as Chairperson of the Company

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

"RESOLVED THAT subject to and in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, ('the Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the relevant provisions of the Articles of Association of the Company, the approval of the Members be and is hereby accorded to the re-appointment of Ms. Nandini Piramal (DIN: 00286092), as Whole-Time Director, designated as 'Chairperson' of the Company, liable to retire by rotation, for a term of 3 (three) years, effective from April 1, 2024, on the terms and conditions including payment of remuneration, perquisites and benefits as set out in the draft of the agreement to be entered into between the Company and Ms. Nandini Piramal, main terms of which are set out hereunder, which have been approved and recommended by the Nomination & Remuneration Committee and the Board of Directors, which draft agreement is hereby approved, with liberty and power to the Board of Directors ('the Board' which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution) to re-designate her and/or reallocate her duties and responsibilities and to grant annual increments and to alter and vary from time to time the terms and conditions of Ms. Piramal's appointment, including the amount and type of perquisites, allowances and benefits to be provided to Ms. Piramal subject to the applicable provisions of the Act, including Schedule V thereof:

a. **Total Fixed Pay** (as defined herein below) of an amount not exceeding an increment of 30% on Ms. Piramal's Total Fixed Pay (which is ₹ 4,24,81,100/-) for FY 2023-24, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of her appointment, subject to the applicable provisions of Schedule V of the Act as may be amended from time to time PROVIDED THAT such annual increments and/ or revisions shall not exceed 30% per annum or such other amount as may be approved by the Board from time to time;

b. **Perquisites and Allowances:** Ms. Piramal will be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, leave travel allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/ or contribution to gratuity fund, chauffeur driven Company maintained/leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

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

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

   Total Fixed Pay: For the purpose of this resolution, the term 'Total Fixed Pay' shall mean the aggregate of and shall include all fixed components (including basic salary) of Ms. Piramal's remuneration, all allowances and the value of all perquisites as per Company Policy

Notice

in force from time to time, excluding Performance Linked Incentive;

c. **Performance Linked Incentive:** In addition to Total Fixed Pay, Ms. Piramal shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year or part thereof, subject to the applicable provisions of Schedule V of the Act, taking into consideration various criteria, including the performance of Ms. Piramal and the performance of the Company PROVIDED THAT the total Performance Linked Incentive shall not exceed 50% per annum of the last drawn Total Fixed Pay or such other amount as may approved by the Board from time to time;

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Ms. Piramal shall be entitled to receive the aforesaid remuneration, perquisites, Performance Linked Incentive and benefits on the same terms as set out above as the minimum remuneration for a period not exceeding the aforementioned period of re-appointment, subject to compliance with the applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

5. Amendment of Articles of Association of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules framed thereunder ('the Act'), applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) and other laws and regulations as may be applicable from time to time, approval of the Members be and is hereby accorded to the following alterations to the Articles of Association of the Company:

Article 63(v) [New Insertion after the existing Article 63(iv)]	If it is provided by any Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, the Board of Directors of the Company shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as may be amended from time to time, as a Nominee Director of the Company within the time period as specified under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable provisions or regulations and modifications, including any amendments thereto. A Nominee Director may be replaced by another Nominee Director at any time by the person or persons, in whom, for the time being, is vested the power under which he was appointed. The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares. The cessation of office of a Nominee Director so appointed, may be made consequential to the remediation of defaults as contained in the aforesaid applicable law.
Article 64A (Substitution of existing Article 64A with this Article)	Carlyle shall have a right to nominate 1 (one) Director on the Board of Directors, for so long as it continuously holds at least 10% (ten percent) of the equity share capital of the Company on a Fully Diluted Basis, provided that: 1. The aforesaid right shall be personal to Carlyle, and shall cease to be available in case of a change in ownership of equity shares of the Company held by Carlyle, whether directly or indirectly, including on account of a transfer of equity shares by Carlyle and/or a change in control of Carlyle. 2. The right under this Article 64A, is subject to the approval of the shareholders of the Company by way of a special resolution at the general meeting, at least once in every 5 (five) years from the date of the grant of such right.
	"Carlyle" means CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments), a company incorporated under the laws of Mauritius, bearing permanent account number AAICC6918N, and having its registered office at Level 6, GFin Tower, 42 Hotel Street, Cybercity, Ebene, 72201, Mauritius (c/o GFin Corporate Services Limited) and includes its Affiliates. "Affiliates" means funds or entities managed or advised by the Carlyle Group, but shall not include (i) any portfolio company of any of the foregoing; (ii) any Competitor; and (iii) any Affiliate that directly or indirectly has investments (equity investment/voting rights) in a Competitor in excess of 15%. "Competitor" shall include persons that carry on any business that directly or indirectly competes with the business, or any component thereof, of the Company. "Fully Diluted Basis" means, in relation to the share capital of a Person, the total share capital of such Person determined on an 'as converted' and 'as exercised' basis, on the assumption that all outstanding types, classes and series of Equity Securities of such Person have been exercised or converted.

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable, approval of the Members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), to offer or invite subscriptions for secured/ unsecured non-convertible debentures ('Debentures'), in one or more series/ tranches, on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto PROVIDED THAT the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the Debentures, and outstanding at any point of time, shall be within the overall borrowing limit as approved by the Members under Section 180(1)(c) of the Act;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

7. Ratification of remuneration payable to Cost Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. G. R. Kulkarni & Associates, Cost Accountants, Mumbai (Registration No. 00168), appointed by the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2024, amounting to ₹ 12,00,000/- (Rupees Twelve Lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses, be and is hereby ratified and confirmed;

Notice

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

NOTES:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 , SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021 , May 13, 2022 and January 5, 2023, respectively issued by the (collectively referred to as 'SEBI Circulars') permitted the holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the MCA Circulars and the SEBI Circulars, the 3rd AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by the Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

   However, in pursuance of Sections 112 and 113 of the Act, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM on their behalf and to vote through electronic means.

3. Participation of Members through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

4. An Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the businesses under Item Nos. 3 to 7 of the Notice is annexed hereto.

   A statement providing additional details of the Directors who are seeking re-appointment at the 3rd AGM, along with their brief profiles, is annexed herewith as required under Regulation 36 of the Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

5. In accordance with the MCA circulars and the SEBI Circulars, the Annual Report of the Company along with the Notice of AGM is being sent through electronic mode to those Members whose e-mail address is registered with the Company/Depository Participant(s) ('DP').

6. Members may note that this Notice and Annual Report shall also be available on Company's website at www.piramal.com, on the websites of the Stock Exchanges i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com.

7. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only.

   In view of this, the Company has issued shares in dematerialised form only. The shareholders of Piramal Enterprises Limited ('PEL') who were holding equity shares in physical form and had not submitted their demat account details with the Company and/ or Link Intime Pvt Limited ('RTA or Link Intime'), their shares have been transferred to the Escrow Account of the Company opened for this purpose and all rights including the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The Company through its RTA, on receipt of the documents from the said allottee(s), as mentioned in below note, will credit the equity shares to their beneficiary demat account(s) after due validation.

   For claiming the shares from the Company's Escrow Account or for application of transfer of shares from Escrow Account pursuant to transmission/transposition/name change/ name deletion, such Members are requested to submit the form 'Application to claim shares from Escrow Account' or 'Application for transfer of Shares from Escrow Account of Piramal Pharma Limited to the demat account of the shareholder pursuant to transmission/transposition/name change/name deletion' along with the following documents to RTA at their registered office at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.

   i. Self-attested copy of the share certificate issued by PEL. In case the shareholder is not in possession of the original share certificate of PEL, kindly comply with the procedure for issuance of duplicate share certificate of PEL by executing Indemnity/Affidavit etc.

   ii. Self-attested copy of PAN of all the joint holders, if any, as proof of identity. Kindly note that the PAN shall be valid only if it is linked to Aadhaar. In order to know the status of your PAN Linked to Aadhaar, you may check on this link: https://www.incometax.gov.in/iec/foportal

   iii. Self-attested copy of Client Master List of the demat account (In case of joint holding, the demat account should be in the same sequence as the names appear in the share certificate of PEL).

   iv. Banker verification form duly attested by the bank manager along with the original cancelled cheque leaf. The attestation should contain the employee code of the person attesting the signature as well as the bank seal.

   v. Self-attested copy of valid Passport/ Registered Lease or Sale Agreement of Residence/ Driving License/Flat Maintenance Bill or Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. For FII / sub account, Power of Attorney given by FII / sub- account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken as proof of residence.

8. Members are further advised to refer the latest SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 issued for all the physical holders holding securities in listed companies to keep their KYC detail updated all the time to avoid freezing their folio as prescribed by SEBI. In view of the same, Members are advised to take the necessary steps to claim their shares from Escrow Account. Members can contact the Link Intime for further assistance in this regard.

9. In accordance with the provisions of Section 72 of the Act and Circulars issued by SEBI, from time to time, Members can avail the facility of nomination in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. The aforementioned forms are available on the Company's website at https://www.piramal.com/investor/piramal-pharma-limited/shareholder-information/forms/ and on the website of Link Intime at https://web.linkintime.co.in/KYC-downloads.html

10. **Voting through electronic means**

    I. Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is pleased to provide to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 3rd AGM by electronic means and has engaged the services of NSDL to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting during the proceedings of the AGM through VC/OAVM ('e-voting at the AGM').

    II. The remote e-voting period commences on Thursday, July 27, 2023 (9.00 a.m. IST) and ends on Sunday, July 30, 2023 (5.00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

    III. Members holding shares, as on the close of business hours on Monday, July 24, 2023 , being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

    IV. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain their login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in and is required to follow the login process provided below in point no. 10(VI). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

    V. Mr. Bhaskar Upadhyay, Practicing Company Secretary (Membership No. FCS 8663), failing him Mr. Bharat R. Upadhyay, Practicing Company Secretary (Membership No. FCS 5436) of N. L. Bhatia & Associates, Practicing Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

    VI. The instructions for remote e-voting are as under:

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Step 1: Access to NSDL e-Voting system

a. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DP. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Securities held with NSDL	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile. 2. Once the home page of e-Services is launched, click on the **'Beneficial Owner'** icon under **'Login'** which is available under **'IDeAS'** section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see 'e-voting' services. 4. Click on 'Access to e-Voting' under 'e-voting' services and you will be able to see 'e-voting' page. 5. Click on options available against company name or **e-voting service provider - NSDL** and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. **If you are not registered for IDeAS e-Services, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com 2. Select **'Register Online for IDeAS'** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Please follow steps given in points 1-5 above. **B. E-voting website of NSDL** 1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. 2. Once the home page of e-voting system is launched, click on the icon **'Login'** which is available under 'Shareholder/ Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider- NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' from Google Play or App Store.

Type of shareholders	Login Method
Securities held with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is www.cdslindia.com and click on login icon & New System Myeasi Tab and then user shall enter the existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective e-voting service provider ('ESP') i.e. NSDL where the e-voting is in progress.
Login through their depository participants	1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. 2. Once you've logged in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against company name or ESP- NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022- 2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

b. Login Method for e-voting and joining the AGM through VC/OAVM for shareholders other than individual shareholders holding securities in demat mode.

1. Open the browser by typing the following URL: https://www.evoting.nsdl.com/
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

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b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Kindly trace the email sent to you from NSDL. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) If you are still unable to retrieve the password by aforesaid two options, kindly send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address etc.

c) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, kindly tick on Agree to 'Terms and Conditions' by selecting on the check box.

8. Thereafter, kindly click on 'Login' button upon which the e-voting home page will open.

Step 2: Cast your vote electronically:

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select 'EVEN' of Company.

3. Now you are ready for e-voting as the voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.

5. Upon confirmation, the message 'Vote cast successfully' will be displayed.

6. You may also print the details of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting, to the Scrutinizer at his e-mail id at bhaskar@nlba.in with a copy marked to evoting@nsdl.co.in and to the Company at shareholders.ppl@piramal.com or upload it by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-voting' tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions for Shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Snehal Bhame, Assistant Manager, NSDL at evoting@nsdl.co.in.

4. Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

i. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to shareholders.ppl@piramal.com. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (a) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

ii. Alternatively shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

5. Members may follow the process detailed below for registering their email id to obtain copy of the Annual Report and other correspondences from the Company electronically and update bank details for receiving the dividends, if any declared in future by the Company.

Registration of e-mail and updation of bank account:

The Members whose e-mail addresses are not registered and/or who have not updated their bank account details are requested to update your e-mail address and/ or bank account details with your respective DP by following the procedure prescribed by the DP. In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

11. Members may follow the same procedure for e-voting at the AGM as mentioned for remote e-voting. Only those Members, who will be attending the AGM through VC/ OAVM and have not cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum, but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or by e-voting at the AGM.

12. After completion of scrutiny of the votes, the Scrutiniser shall submit a consolidated Scrutiniser's Report of the votes cast in favour or against, to the Chairperson of the AGM or to any Director or any person authorised by the Chairperson for this purpose, who shall countersign the same. The results will be announced within the stipulated time under the applicable laws.

13. The results declared along with the Scrutiniser's Report shall be placed on the Company's website at www.piramal.com and on the website of NSDL at www.evoting.nsdl.com immediately. The Company shall also simultaneously forward the results to BSE and NSE, where the shares of the Company are listed.

14. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection through electronic mode, basis the request being sent on shareholders.ppl@piramal.com

15. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon log-in to NSDL e-voting system at www.evoting.nsdl.com

Instructions for Members for attending the AGM through VC/ OAVM are as under:

I. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM through the NSDL e-voting system at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for the Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

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II. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for commencement of the AGM and will be available for Members on first come first served basis.

III. Please note that Members connecting from mobile devices or tablets or through laptops etc., connecting via mobile hotspot, may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

IV. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by sending their request from their registered email address mentioning their name, DP ID and Client ID, PAN and mobile number at shareholders.ppl@piramal.com from Monday, July 24, 2023 (9:00 a.m. IST) to Wednesday, July 26, 2023 (5:00 p.m. IST). A Member who has registered as a speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

V. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in, 022-4886 7000 or 022-2499 7000 or contact Ms. Snehal Bhame, Assistant Manager, NSDL at evoting@nsdl.co.in

Registered Office:
Gr Flr., Piramal Ananta, Agastya Corporate Park,
Kamani Junction,
Kurla (West),
Mumbai – 400 070.

Dated: June 16, 2023

By Order of the Board

Tanya Sanish
Company Secretary
ACS No.: 25784

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Re-appointment of Mr. Peter DeYoung as Executive Director of the Company

The Members of the Company at the 1st Annual General Meeting held on June 21, 2021, had appointed Mr. Peter DeYoung (DIN: 07152550) as Whole-Time Director designated as 'Executive Director', for a period of 3 years, w.e.f. October 6, 2020 to October 05, 2023 and had approved the limits within which remuneration would be payable to Mr. DeYoung during this term.

Considering Mr. DeYoung's rich experience and expertise in healthcare and pharmaceuticals, his contribution towards steering strategy and driving growth of Piramal Global Pharma as well as the milestones achieved during his existing tenure, the Board of Directors at its meeting held on May 24, 2023, in line with the recommendations of the Nomination and Remuneration Committee, approved the re-appointment of Mr. DeYoung as Whole-Time Director designated as 'Executive Director', liable to retire by rotation, for a further period of 3 years, with effect from October 06, 2023 along with the terms and conditions of his appointment including payment of remuneration and has recommended the same for approval of the Members.

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

The terms and conditions, including remuneration payable to Mr. DeYoung are contained in the Draft Agreement proposed to be entered into by the Company with Mr. DeYoung, main terms of which are set out in the resolution at Item No.3 of the accompanying Notice.

Mr. DeYoung satisfies all the conditions set out in Part-I of Schedule V of the Companies Act, 2013 ('the Act') as also conditions set out under Section 196(3) of the Act for being eligible for re-appointment.

Mr. DeYoung has granted consent for his re-appointment as a Whole-Time Director. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Also, notice in writing in the prescribed manner as required under Section 160 of the Act has been received by the Company, proposing his candidature for the office of Whole –Time Director.

Details relating to Mr. DeYoung as required to be provided pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standards on General Meetings are provided as Annexure B to this Notice.

Except Mr. DeYoung and Ms. Nandini Piramal, Directors of the Company who are related to each other and their relatives, none of the Directors or Key Managerial Personnel of the Company nor their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board strongly believes that Mr. DeYoung's knowledge, expertise and experience is imperative to the growth of the Company and recommends the Special Resolution set out at Item No. 3 of the Notice, for the approval of the Members.

Item No. 4

Re-appointment of Ms. Nandini Piramal as Chairperson of the Company

The Members of the Company at the 1st Annual General Meeting held on June 21, 2021, had appointed Ms. Nandini Piramal (DIN:00286092) as Whole –Time Director designated as 'Executive Director', for a period of 3 years, w.e.f. April 1, 2021 to March 31, 2024 and had approved the limits within which remuneration would be payable to Ms. Piramal during this term.

Considering the strong and varied experience and expertise of Ms. Piramal, her commitment to growth in keeping with the values of the Company, her vision and the significant strategies and initiatives undertaken during her existing tenure, the Board of Directors at its meeting held on May 24, 2023, in line with the recommendations of the Nomination and Remuneration Committee ('NRC'), approved the re-appointment of Ms. Piramal as Whole-Time Director designated as 'Chairperson', liable to retire by rotation, for a further period of 3 years, with effect from April 1, 2024. along with the terms and conditions of her appointment including payment of remuneration and has recommended the same for approval of the Members.

The Members are requested to note that Ms. Piramal's Total Fixed Pay during FY 2023-24 is upto ₹ 4,24,81,100/- (including basic salary of ₹ 1,69,92,410/-) and perquisites & allowances as described in the Special Resolution set out at Item No. 4 of this Notice.

The terms of remuneration of Ms. Piramal are in accordance with the Remuneration Policy of the Company.

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

Ms. Piramal satisfies all the conditions set out in Part-I of Schedule V of the Companies Act, 2013 ('the Act') as also conditions set out under Section 196(3) of the Act for being eligible for re-appointment.

Ms. Piramal has granted consent for her re-appointment as a Whole-Time Director. She is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Also, notice in writing in the prescribed manner as required under Section 160 of the Act has been received by the Company, proposing her candidature for the office of Whole –Time Director.

Details relating to Ms. Piramal as required to be provided pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial

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Standards on General Meetings are provided as Annexure B to this Notice.

Except Ms. Piramal and Mr. Peter DeYoung, Directors of the Company who are related to each other and their relatives, none of the Directors or Key Managerial Personnel of the Company nor their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board strongly believes that Ms. Piramal's knowledge, expertise and experience is imperative to the growth of the Company and recommends the Special Resolution set out at Item No. 4 of the Notice, for the approval of the Members.

Item No. 5

Amendment to the Articles of Association of the Company

a. Insertion of Article 63(v):

SEBI vide its notification bearing reference no. SEBI/LAD-NRO/GN/2023/119 dated February 02, 2023 amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('SEBI NCS Regulations') wherein it mandated that the Articles of Association ('AOA') of an issuer of debt securities should contain a clause authorizing the Board of Directors to appoint a person nominated by the Debenture Trustee(s) in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 ('SEBI DT Regulations') as a director on its Board under one of the following circumstances:

i. two consecutive defaults in payment of interest to the debenture holders; or

ii. default in creation of security for debentures; or

iii. default in redemption of the debentures.

In case of an issuer company whose securities are already listed on the date of the SEBI NCS Regulations, the existing AOA would need to be amended to include the provision for appointing a nominee director by the Debenture Trustee as per Regulation 15(1)(e) of the SEBI DT Regulations, within the timeline specified in the notification referred to above. The existing AOA of the Company, which has issued listed debt securities in line with the SEBI NCS Regulations, does not contain this provision.

In line with the provisions of Section 14 of the Companies Act, 2013 ('the Act'), the amendment of the AOA requires approval of the shareholders of the Company by way of a special resolution at a general meeting.

Accordingly, the Board of Directors of the Company have approved and recommended for approval of the Members, the amendment to the AOA of the Company to insert therein, Article 63(v) as contained in the Special Resolution set out at Item No. 5 of the Notice.

b. Substitution of Article 64A:

In line with the existing Article 64A of the AOA, reproduced below for reference, CA Alchemy Investments ('Carlyle'), an investor holding 20% equity stake in the Company shall have the right to nominate 1 (one) director on the Board of Directors of the Company post listing of the equity shares of the Company on the Stock Exchanges,subject to said right being approved by way of a special resolution at a general meeting of the Company.

[Carlyle shall have a right to nominate 1 (one) Director on the Board of Directors for so long as it continuously holds at least 10% (ten percent) of the equity share capital of the Company on a Fully Diluted Basis, provided that:

1. *The aforesaid right shall be personal to Carlyle, and shall cease to be available in case of a change in ownership of equity shares of the Company held by Carlyle, whether directly or indirectly, including on account of a transfer of equity shares by Carlyle and/ or a change in control of Carlyle;*

   and

2. *The right under this Article 64A, is subject to the approval of the shareholders of the Company by way of a special resolution, at a general meeting held once the equity shares of the Company are listed on the stock exchanges.*

   'Carlyle' means CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments), a company incorporated under the laws of Mauritius, bearing permanent account number AAICC6918N, and having its registered office at Level 6, GFin Tower, 42 Hotel Street, Cybercity, Ebene, 72201, Mauritius (c/o GFin Corporate Services Limited) and includes its Affiliates.

   'Affiliates' means funds or entities managed or advised by the Carlyle Group, but shall not include (i) any portfolio company of any of the foregoing; (ii) any Competitor; and (iii) any Affiliate that directly or indirectly has investments (equity investment/voting rights) in a Competitor in excess of 15%.

   'Competitor' shall include persons that carry on any business that directly or indirectly competes with the business, or any component thereof, of the Company.

   'Fully Diluted Basis' means, in relation to the share capital of a Person, the total share capital of such Person determined on an 'as converted' and 'as exercised' basis, on the assumption that all outstanding types, classes and series of Equity Securities of such Person have been exercised or converted.]

The Company was listed on the BSE Limited and the National Stock Exchange of India Limited on October 19, 2022. In line with the aforesaid requirement in the present Article 64A of the AOA and Regulation 3(IX) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 which requires that any special right granted to shareholders of a listed entity shall be subject to approval by the shareholders in a general meeting by way of a special resolution once in every five years, the Board of Directors has, in accordance with Section 14 of the Act, approved and recommended for approval of the Members, substitution of Article 64A with the Article 64A contained in the Special Resolution set out at Item No. 5 of the Notice.

Except Mr. Neeraj Bharadwaj, representative of Carlyle, none of the Directors or Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice, for the approval of the Members.

Item No. 6

Issue of Non-Convertible Debentures on Private Placement Basis

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

As per Chapter XII of Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by the Securities and Exchange Board of India ('SEBI'), as amended from time to time, a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities as defined under SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021. At the end of the financial year 2022-23, the Company has been identified as a Large Corporate and accordingly the Company is required to raise at least 25% of its incremental borrowing, in the financial year 2023-24 and onwards, through issuance of debt securities.

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

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

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

Item No. 7

Ratification of remuneration payable to Cost Auditor

The Board of Directors, on the recommendations of the Audit Committee, has approved appointment of M/s. G.R. Kulkarni & Associates, Cost Accountants, Mumbai (Registration No. 00168), as Cost Auditors for conducting audit of the relevant cost records of the Company for the financial year ending March 31, 2024, at a remuneration of ₹ 12,00,000/- (Rupees Twelve Lakhs only) plus taxes as applicable and reimbursement of out-of-pocket expenses.

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

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

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the Members.

Registered Office:
Gr Flr., Piramal Ananta, Agastya Corporate Park,
Kamani Junction,
Kurla (West),
Mumbai – 400 070.

Dated: June 16, 2023

By Order of the Board

Tanya Sanish
Company Secretary
ACS No.: 25784

Notice

ANNEXURE - A

Information under Section II of Part II of Schedule V of the Companies Act, 2013

1. **General Information**

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

   (b) **Date or expected date of commencement of commercial production:** October 6, 2020.

   (c) **Financial performance based on given indicators:**

(₹ in crores)

Particulars	FY 2023
Gross Turnover & Other Income	3,784.29
Net Profit as per Statement of Profit or Loss (After Tax)	69.50
Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013	52.66

   (d) **Foreign investments or collaborators, if any:** 20% of the equity share capital of the Company is held by CA Alchemy Investments, a company registered in Mauritius.

2. **Information about the Appointees: Mr. Peter DeYoung and Ms. Nandini Piramal**

Background Details	As stated in Annexure B of this Notice.
Past remuneration	The same is furnished in the Corporate Governance Report of the Company, which forms an integral part of this Annual Report.
Job profile & suitability and Recognition or award	As stated in Annexure B of this Notice.
Remuneration proposed	Details of remuneration proposed are given in the resolution and explanatory statement at Item nos. 3 & 4 respectively of the accompanying Notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and expertise Mr. DeYoung and Ms. Piramal bring to the Board, the remuneration proposed to be paid to them is commensurate with the remuneration packages paid to similar senior level counterparts in other companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mr. Peter DeYoung and Ms. Nandini Piramal, Directors of the Company are related to each other and are also members of Promoter Group of the Company.

3. **Other Information**

   (a) **Reasons for loss or inadequate profits:** During FY 2023, the revenue growth was impacted by slowdown in biotech funding, delayed decision making by our CDMO customers and a muted demand in our Vitamins and Generic API portfolio. This along with inflationary pressures due to higher raw material cost, wage inflation and lower absorption of fixed cost, led to a lower EBITDA margin in FY 2023. Further, an increase in finance cost due to increase in average debt facilities availed and increase in interest rate led to PAT loss in FY 2023.

   (b) **Steps taken or proposed to be taken for improvement:** The Company has expanded capacities at selected facilities which are seeing high customer demand. This along with improvement in order booking in the Q4 of FY 2023 should help drive growth going forward. Further the Company has also taken steps of cost optimization through operational excellence to improve its profitability.

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

Disclosures

The details required to be given under this head are already disclosed in Corporate Governance Report of the Company which forms an integral part of this Annual Report.

ANNEXURE B

Details of Directors seeking re-appointment at the Annual General Meeting

(In pursuance of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings)

Name of the Director	Mr. Peter DeYoung (DIN: 07152550)	Ms. Nandini Piramal (DIN: 00286092)	Mr. Neeraj Bharadwaj (DIN: 01314963)
Date of Birth (Age)	April 20, 1978 (45 years)	October 26, 1980 (42 years)	December 18, 1968 (54 years)
Nationality	USA	Indian	USA
Date of first Appointment	March 4, 2020	March 4, 2020	October 06, 2020
Qualification, Brief resume/ expertise in specific functional areas	Mr. Peter DeYoung is an Executive Director of our Company and the Chief Executive Officer of Piramal Global Pharma. He holds a bachelor's degree in science (engineering) from Princeton University, USA, where he graduated summa cum laude. He also holds a master's degree in business administration from the Leland Stanford Junior University, USA. He was designated as 'Arjay Miller Scholar' by Stanford University. He has spearheaded several leadership mandates at the Piramal group, including as the chief executive officer of Piramal Critical Care and President, Piramal Life Sciences. Previously he worked at Mckinsey & Company and at Blackstone Advisors India Private Limited, in its private equity business group. He was also seconded by McKinsey & Company to the World Economic Forum.	Ms. Nandini Piramal is the Chairperson and Executive Director of our Company. She holds a bachelor's of arts (honours) degree in philosophy, politics and economics from Hertford College, University of Oxford and a master's degree in business administration from the Leland Stanford Junior University, USA. She heads the human resources function, the information technology function and handles the quality unit of our Company. She is also an advisor to Piramal Foundation and Piramal Sarvajal. In 2020, she was recognized amongst 'India's Most Powerful Women' by Business Today and in 2014, the World Economic Forum recognized her as a 'Young Global Leader'.	Mr. Neeraj Bharadwaj is a Non- Executive Director of our Company. He holds a bachelor's degree in science (economics) from University of Pennsylvania, USA, where he graduated summa cum laude and a master's degree in business administration from Harvard University, USA. He is currently the managing director of Carlyle India Advisors Private Limited which is focused on growth capital and buyout opportunities across sectors in India. He currently serves on the board of directors of Hexaware Technologies Limited, Indegene Limited, Nxtra Data Limited, Sequent Scientific Limited, CorroHealth Infotech Private Limited, and others. Previously, he served on the boards of Delhivery Limited, Global Health Limited, Metropolis Healthcare Limited, and others. Further, he is also appointed on the governing board of Indian School of Business, board of directors of Olympic Gold Quest, and as the chairman of the Private Equity and Venture Capital committee of the Federation of Indian Chambers of Commerce & Industry. He has been recognised as a 'Young Global Leader' by World Economic Forum.
Directorships held in other companies (excluding Section 8 and foreign Companies)	-	1. Piramal Enterprises Limited 2. The Swastik Safe Deposit and Investments Limited 3. Piramal Water Private Limited 4. Montane Ventures Private Limited	1. Carlyle India Advisors Private Limited 2. Corrohealth Infotech Private Limited 3. Hexaware Technologies Limited 4. Indegene Limited 5. Nxtra Data Limited 6. Sequent Scientific Limited 7. Ver Se Innovation Private Limited 8. Viyash Lifesciences Private Limited 9. VLCC Healthcare Limited

Notice

Name of the Director	Mr. Peter DeYoung (DIN: 07152550)	Ms. Nandini Piramal (DIN: 00286092)	Mr. Neeraj Bharadwaj (DIN: 01314963)
Committee position held in other companies#	-	1. Piramal Enterprises Limited - Member of: a. Corporate Social Responsibility Committee b. Stakeholders Relationship Committee 2. The Swastik Safe Deposit and Investments Limited – Member of: a. Stakeholders Relationship Committee	1. Nxtra Data Limited - Member of Nomination and Remuneration Committee 2. Viyash Lifesciences Pvt Ltd - Member of Nomination and Remuneration Committee 3. Hexaware Technologies Ltd – Member of: a. Audit Committee b. Nomination and Remuneration committee 4. Sequent Scientific Ltd- Member of: a. Audit Committee b. Nomination and Remuneration Committee
Listed entities from which the person has ceased to be Director in the past three years	-	-	1. Delhivery Limited 2. Global Health Limited
No. of shares held	4,32,000 shares	1,81,948 shares	Nil
Number of Meetings of the Board attended during the year	8 out of 8	8 out of 8	7 out of 8
Terms and conditions of Appointment/ Re-appointment including Remuneration sought to be paid	As stated in the resolution and explanatory statement at Item No. 3 & 4 of this Notice of the respective Director.		Not Applicable
Remuneration last drawn	Remuneration last drawn is furnished in the Corporate Governance Report of the Company, which forms an integral part of this Annual Report.		Not Applicable
Relationship with other Directors/ KMPs/Manager	Mr. Peter DeYoung and Ms. Nandini Piramal, are related to each other.		None

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

Corporate Information

THE BOARD OF DIRECTORS

Nandini Piramal, Chairperson
Peter DeYoung, Executive Director
Vivek Valsaraj, Executive Director
S. Ramadorai, Independent Director
Sridhar Gorthi, Independent Director
Jairaj Purandare, Independent Director
Peter Stevenson, Independent Director
Vibha Paul Rishi, Independent Director
Neeraj Bharadwaj, Non-Executive Director
Nathalie Leitch, Non-Executive Director

CHIEF FINANCIAL OFFICER

Vivek Valsaraj

COMPANY SECRETARY

Tanya Sanish

INFORMATION FOR SHAREHOLDERS

Registrar and Share Transfer Agent
Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai – 400 083
Tel.: (91 22) 4918 6000
Fax: (91 22) 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

BANKERS

Citibank N.A.
Kotak Mahindra Bank Limited
The Hongkong & Shanghai Banking Corporation Limited
Standard Chartered Bank
Axis Bank Limited
IndusInd Bank Limited
BNP Paribas Bank
Barclays Bank PLC
State Bank of India
ICICI Bank Limited
Bank of India

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

REGISTERED OFFICE

Gr. Flr., Piramal Ananta, Agastya Corporate Park,
Kamani Junction, LBS Marg,
Kurla (West), Mumbai – 400 070.
Tel.: (91 22) 3802 3000/4000
Email: Shareholders.ppl@piramal.com
Website: www.piramal.com
CIN: U24297MH2020PLC338592

FORWARD-LOOKING STATEMENT

In this Annual Report, we have also disclosed certain forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar nature in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Piramal
Pharma Limited

Registered Office
Gr. Flr., Piramal Ananta, Agastya Corporate Park, Kamani Junction,
LBS Marg, Kurla (West), Mumbai - 400 070
CIN: U24297MH2020PLC338592