BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 1st Annual Report on the business and operations of Piramal Pharma Limited ('the Company' or 'PPL') and the Audited Financial Statements for the period ended March 31, 2021.

(₹ in Crores)

Particulars	**Consolidated**	**Standalone**
	For the period March 4, 2020 to March 31, 2021	**For the period March 4, 2020 to March 31, 2021**
Net Sales	6,314.90	2,938.81
Non-operating other income	164.11	197.97
Total income	**6,479.01**	**3,136.78**
Other Expenses	4,886.94	2,319.88
OPBIDTA	**1,592.07**	**816.90**
Interest Expenses	163.45	4.71
Depreciation	545.04	143.64
Profit before tax & exceptional items	**883.58**	**668.55**
Exceptional items (expenses)/ Income	18.23	18.23
Income tax	114.02	115.28
Net Profit/ (Loss) after tax and before Share of Net profit of Associates and Joint ventures	**787.79**	**571.50**
Share of Net profit of Associates and Joint ventures#	47.24	-
Net Profit/ (Loss) after tax and after Share of Net profit of Associates and Joint ventures	835.03	571.50
Net Profit/ (Loss) Margin %	13.22%	19.45%
Basic EPS	18.56	12.70
Diluted EPS (₹/share)	18.56	12.70

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

SHARE CAPITAL

During the period under review, the Company had:

1. increased authorized share capital, in two tranches, from ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each to ₹ 1600,00,00,000 divided into 150,00,00,000 equity shares of ₹ 10 each and 10,00,00,000 Compulsorily Convertible Preference Shares of ₹ 10 each.

2. issued and allotted 78,50,00,000 fully paid-up equity shares of face value of ₹ 10 each, at par, to Piramal Enterprises Limited ('PEL') for an aggregate consideration of ₹ 785,00,00,000 by way of right issue.

3. issued and allotted the following securities by way of preferential issue on a private placement basis:

   (a) 19,89,20,413 fully paid-up equity shares of face value of ₹ 10 each to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) ('Investor') at a price of ₹ 173.36 per equity share (including premium of ₹ 163.36 per equity share), aggregating to ₹ 3448,41,45,445;

   (b) 1,06,71,651 equity shares to PEL at a price of ₹ 173.36 per equity share (including premium of ₹ 163.36 per equity share) aggregating to ₹ 185,00,00,000, for consideration other than cash i.e. in lieu of transfer of shares of Piramal Healthcare Inc., a subsidiary of PEL incorporated under the laws of Delaware, United States of America, to the Company; and

   (c) 7,50,00,000 non-cumulative compulsorily convertible preference shares of face value of ₹ 10 each ('CCPS') to the Investor, at par, aggregating to ₹ 75,00,00,000.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

SIGNIFICANT EVENTS DURING THE PERIOD MARCH 4, 2020 TO MARCH 31, 2021

- Capital Raise: In October 2020, the Company completed acquisition/ transfer of the pharmaceutical business, held by Piramal Enterprises Limited directly and through its subsidiaries ('Transaction') and received ₹ 3523.40 Crores on closure of the Transaction for 20% equity investment from CA Alchemy Investments, an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group

Inc. The Transaction valued the pharmaceutical business at an enterprise value of USD 2,775 million.

- Increased stake to 100% in Convergence Chemicals Private Limited ('CCPL'): In October 2020, the Company and Navin Fluorine International Limited ('NFIL') announced a mutual agreement to increase the Company's stake in CCPL to 100% by buying out NFIL's 49% stake in CCPL at ₹ 65.10 crores. The acquisition was completed in February 2021.

- Agreed to acquire Hemmo Pharmaceuticals Private Limited: In March 2021, the Company entered into an agreement to acquire 100% stake in Hemmo Pharmaceuticals Private Limited, an Indian manufacturer of peptide APIs, for an upfront consideration of ₹ 775 Crores and milestone linked earn-outs.

OPERATIONS REVIEW:

SUBSIDIARY COMPANIES

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

Net sales of Piramal Healthcare Inc. [consolidated] for FY 2020 were at ₹ 1,336.76 Crores. Profit before interest, depreciation and tax for the year was at ₹ 497.40 Crores. Piramal Healthcare Inc. [consolidated] reported a net profit of ₹ 212.15 Crores for the year.

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

Net sales of PEL Pharma Inc. [consolidated] for FY 2021 were at ₹ 699.41 Crores. Profit before interest, depreciation and tax for the year was at ₹ 90.93 Crores. PEL Pharma Inc. [consolidated] reported a net loss of ₹ 13.47 Crores for the year.

Piramal Healthcare UK Limited
Net sales of Piramal Healthcare UK Limited for FY 2021 were at ₹ 914.11 Crores. Profit before interest, depreciation and tax for the year was at 144.11 Crores. Piramal Healthcare UK Limited reported a net profit of ₹ 40.86 Crores for the year.

Piramal Healthcare (Canada) Limited
Net sales of Piramal Healthcare (Canada) Limited for FY 2021 were at ₹ 326.36 Crores. Profit before interest, depreciation and tax for the year was at ₹ 102.37 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 248.03 Crores for the year.

Piramal Critical Care Limited

Net sales of Piramal Critical Care Limited for FY 2021 were at ₹ 331.98 Crores. Profit before interest, depreciation and tax for the year was at ₹ 73.95 Crores. Piramal Critical Care Limited reported a net loss of ₹ 69.57 Crores for the year.

Piramal Critical Care Italia S.P.A.

Net sales of Piramal Critical Care Italia S.P.A. for FY 2021 were at ₹ 55.54 Crores. Loss before interest, depreciation and tax for the year was at ₹ 3.62 Crores. Piramal Critical Care Italia S.P.A. reported a net loss of ₹ 6.48 Crores for the year.

Piramal Critical Care South Africa

Net sales of Piramal Critical Care South Africa for FY 2021 were at ₹ 24.92 Crores. Profit before interest, depreciation and tax for the year was at ₹ 0.62 Crores. Piramal Critical Care South Africa reported a net loss of ₹ 0.04 Crores for the year.

Piramal Critical Care Pty Ltd (Australia)

Net sales of Piramal Critical Care Pty Ltd (Australia) for FY 2021 were at ₹ 4.45 Crores. Piramal Critical Care Pty Ltd (Australia) reported a net loss of ₹ 0.06 Crores for the year.

Piramal Critical Care Deutschland GmbH

Net sales of Piramal Critical Care Deutschland GmbH for FY 2021 were at ₹ 44.36 Crores. Loss before interest, depreciation and tax for the year was at ₹ 11.82 Crores. Piramal Critical Care Deutschland GmbH reported a net loss of ₹ 13.68 Crores for the year.

Piramal Critical Care B.V.

Net sales of Piramal Critical Care B.V. for FY 2021 were at ₹ 165.23 Crores. Loss before interest, depreciation and tax for the year was at ₹ 28.08 Crores. Piramal Critical Care B.V. reported a net loss of ₹ 29.62 Crores for the year.

JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

The Company owns 49% equity stake in Allergan India Private Limited. Share of profit of Allergan India Private Limited considered in consolidation for FY 2021 amounts to ₹ 42.54 Crores.

DEPOSITS FROM PUBLIC

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

STATUTORY AUDITORS AND AUDITORS' REPORT
The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the period ended March 31, 2021. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

In accordance with Section 139 of the Act, M/s. D. Dadheech & Co. ('Dadheech'), Chartered Accountants (Firm Registration Number – 101981W) were appointed as the first Statutory Auditors to hold the office until the conclusion of the first Annual General Meeting (AGM). Dadheech resigned as Statutory Auditor on account of pre-occupation with effect from January 11, 2021.

M/s. Deloitte Haskins & Sells LLP ('Deloitte'), Chartered Accountants (Firm Registration Number 117366W/W-100018), were appointed by the shareholders of the Company at the EGM held on October 5, 2020, as (joint) Statutory Auditors for a term of 5 years to hold office until the conclusion of the 5th AGM of the Company to be held in calendar year 2025. Upon resignation of Dadheech, Deloitte became the (sole) Statutory Auditors of the Company.

Deloitte has furnished a certificate of their eligibility and consent under Sections 139(1) and 141 of the Act and the Rules framed thereunder for their continuance as Statutory Auditors of the Company for the financial year 2021-22.

CORPORATE SOCIAL RESPONSIBILITY

Constitution of the Committee
The Corporate Social Responsibility Committee ('CSR Committee') was constituted on April 16, 2021, comprised of:

Mr. Jairaj Purandare - Chairman	Non-Executive, Independent
Ms. Nandini Piramal	Executive
Mr. Rajesh Laddha	(Additional) Non-Executive

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

The CSR Policy is enclosed as Annexure C 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 as Annexure D to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL
a) Ms. Nandini Piramal (DIN: 00286092), Mr. Peter DeYoung (DIN 07152550) and Mr. Vivek Valsaraj (DIN: 06970246) were appointed as the First Directors with effect from March 4, 2020.

b) Mr. Rajesh Laddha (DIN: 02228042) was appointed as an Additional Director (Non-Executive) with effect from August 17, 2020 to hold office up to the date of ensuing AGM and his appointment as Non-Executive Director, liable to retire by rotation, has been recommended to the members at the ensuing AGM.

c) Mr. Neeraj Bharadwaj (DIN: 01314963) was appointed as Non-Executive Director, liable to retire by rotation, with effect from October 6, 2020.

d) Mr. Peter DeYoung was appointed as Whole Time Director, liable to retire by rotation, with effect from October 6, 2020 for a period of 3 years, subject to the approval of Members. Consent of the Members of the Company towards his appointment, will be sought at the ensuing AGM.

e) Mr. Subramanian Ramadorai (DIN: 00000002) and Mr. Jairaj Purandare (DIN: 00159886) were appointed as Additional Directors of the Company, with effect from February 9, 2021 and their appointment as Non-Executive, Independent Directors, for a term of 5 consecutive years commencing from February 9, 2021, has been recommended to the Members for approval at the ensuing AGM. The Company has received declarations from both its Independent Directors, confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013. In the opinion of the Board, the Independent Directors appointed during the period under review, possess the requisite integrity, experience, expertise and proficiency required under all applicable laws and the policies of the Company.

f) Ms. Nandini Piramal has been appointed as Whole Time Director, liable to retire by rotation, w.e.f. April 1, 2021 for a period of 3 years, subject to approval of Members. Consent of the members of the Company towards her appointment, will be sought at the ensuing AGM.

g) Mr. Vivek Valsaraj resigned as a director w.e.f. October 28, 2020. The Board places on record its appreciation for the contribution made by Mr. Valsaraj during his tenure as Director of the Company. Further, Mr. Valsaraj was appointed as Chief Financial Officer (Key Managerial Personnel) with effect from February 9, 2021.

h) Ms. Tanya DCosta was appointed as Company Secretary (Key Managerial Personnel) with effect from September 10, 2020.

BOARD EVALUATION

Evaluation of performance of all Directors shall be undertaken annually with effect from FY 2021-22 onwards. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and the Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance of the Executive Directors shall be evaluated on the basis of achievement of their Key Result Areas.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS
During the period under review, thirteen Meetings of the Board of Directors were convened and held.

AUDIT COMMITTEE
The Audit Committee was constituted on April 16, 2021, comprised of the following members:

Mr. Jairaj Purandare – Chairman	Non-Executive, Independent
Mr. S. Ramadorai	Non-Executive, Independent
Mr. Rajesh Laddha	(Additional) Non-Executive Director

NOMINATION AND REMUNERATION POLICIES
The Board of Directors at its meeting held on May 11, 2021 has approved the 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.

At the same meeting, the Board also approved a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS
Reference is made to Note nos. 5 and 12 of the financial statements for loans to bodies corporate and to Note no. 34 for guarantees provided by the Company.

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

RELATED PARTY TRANSACTIONS
Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act in the prescribed Form AOC-2, are appended as Annexure F to this Report.

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

MANAGERIAL REMUNERATION
The remuneration paid by the Company to Mr. Peter DeYoung, Whole-Time Director, during the period from October 6, 2020 to March 31, 2021 was ₹ 1.11 Crores.

SECRETARIAL AUDIT REPORT
Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder, the Company

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

RISK MANAGEMENT FRAMEWORK

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(a) in the preparation of the annual financial statements for the period ended March 31, 2021, 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, 2021 and of the profit of the Company for the period ended on that date;

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

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

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

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

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

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

The Policy is gender neutral. During the period under review, no complaint was filed with ICC.

OTHERS

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

1. Details relating to issue of sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.

2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

3. The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

4. During the period under review, none of the Auditors of the Company have reported any fraud as specified under Section 143(12) of the Act.

ACKNOWLEDGEMENT

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

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

For and on behalf of the
Board of Directors

Place: Mumbai
Date: June 1, 2021

Director **Director**

ANNEXURE A

CHANGES IN COMPANY'S SUBSIDIARIES, JOINT VENTURES AND/OR ASSOCIATE COMPANIES DURING FY 2021:

A. CHANGES IN SUBSIDIARIES

COMPANIES WHICH HAVE BECOME SUBSIDIARIES:

a) Piramal Dutch Holdings N.V.
b) Piramal Pharma Solutions (Dutch) B.V.
c) Piramal Critical Care B.V.
d) Piramal Healthcare Inc.
e) Piramal Critical Care Inc.
f) Piramal Pharma Inc.
g) Piramal Critical Care Italia S.P.A.
h) Piramal Healthcare (Canada) Limited
i) Piramal Critical Care Deutschland GmBH
j) Piramal Healthcare UK Limited
k) Piramal Healthcare Pension Trustees UK Limited
l) Piramal Critical Care Limited
m) Piramal Critical Care South Africa (PTY) Ltd.
n) Piramal Critical Care Pty. Ltd.
o) PEL Pharma Inc.
p) Piramal Pharma Solutions Inc.
q) Ash Stevens LLC
r) PEL Healthcare LLC
s) Convergence Chemicals Private Limited (CCPL)
   [CCPL became a Joint Venture Company between the Company and Navin Fluorine International Limited (NFIL) during the period. However, during the period itself, the stake held by NFIL in CCPL was transferred to the Company w.e.f. February 24, 2021. Accordingly, as on March 31, 2021 CCPL was a wholly-owned subsidiary of the Company.]

No entity has ceased to be a Subsidiary during FY 2021.

B. CHANGES IN JOINT VENTURES

COMPANY WHICH HAS BECOME JOINT VENTURE

Allergan India Private Limited
[a Joint Venture between the Company and Allergan Pharmaceuticals (Ireland) Limited]

C. CHANGES IN ASSOCIATE COMPANY

No entity has become nor has ceased to be an Associate Company during FY 2021.

Annexure B

FORM AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "A": Subsidiaries

Name of the Subsidiary Company	Piramal Critical Care Deutschland GmbH	Piramal Critical Care Italia, S.P.A	Piramal Critical Care Limited	Piramal Healthcare (Canada) Limited	Piramal Healthcare (UK) Limited	Piramal Healtchare Pension Trustees Limited
Reporting period for the subsidiary	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*
Reporting currency	EUR	EUR	USD	CAD	GBP	GBP
Average rate	86.60	86.60	74.24	56.22	97.06	97.06
Closing rate	85.71	85.71	73.12	58.02	100.71	100.71
Share capital (Including Additional Paid In Capital)	79.60	21.43	87.04	187.90	233.97	1.00
Reserves & Surplus	(63.03)	4.54	94.86	382.54	411.41	1.00
Total assets	34.61	44.86	1,227.59	601.41	1,205.77	-
Total liabilities	18.05	18.89	1,045.68	30.96	560.39	-
Investments	-	-	7.91	-	-	-
Turnover	42.45	46.30	306.41	284.33	784.50	-
Profit/ (Loss) before taxation	(10.85)	(6.37)	(69.13)	133.19	54.30	-
Provision for taxation	-	-	-	(19.86)	11.37	-
Profit/ (Loss) after taxation	(10.85)	(6.37)	(69.13)	153.05	42.93	-
Other Comprehensive Income	-	-	(3.45)	-	-	-
Proposed dividend	0	0	0	0	0	0
% of shareholding	100	100	100	100	100	100

Name of the Subsidiary Company	Piramal Critical Care South Africa (Pty) Ltd	Piramal Dutch Holdings N.V.	Piramal Healthcare Inc.	Piramal Critical Care, Inc.	Piramal Pharma Inc.	Piramal Pharma Solutions Inc.
Reporting period for the subsidiary	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*
Reporting currency	ZAR	USD	USD	USD	USD	USD
Average rate	4.56	74.24	74.24	74.24	74.24	74.24
Closing rate	4.93	73.12	73.12	73.12	73.12	73.12
Share capital (Including Additional Paid In Capital)	4.81	-	-	-	-	104.80
Reserves & Surplus	0.92	-	-	-	-	(458.15)
Total assets	43.04	-	-	-	-	378.73
Total liabilities	37.32	1,069.08	-	1,602.47	49.77	732.08
Investments	-	-	-	-	-	-
Turnover	26.67	0.45	-	-	-	133.33
Profit/ (Loss) before taxation	(0.62)	-	-	-	-	(152.75)
Provision for taxation	0.04	-	-	-	-	(0.63)
Profit/ (Loss) after taxation	(0.66)	-	-	-	-	(152.13)
Other Comprehensive Income	-	-	-	-	-	-
Proposed dividend	0	0	0	0	0	-
% of shareholding	100	100	100	100	100	100

Name of the Subsidiary Company	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.	Convergence Chemicals Private Limited
Reporting period for the subsidiary	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	December 31, 2020*	March 31,2021*
Reporting currency	USD	USD	EUR	AUD	USD	EUR	INR
Average rate	74.24	74.24	86.60	53.37	74.24	86.60	1.00
Closing rate	73.12	73.12	85.71	55.66	73.12	85.71	1.00
Share capital (Including Additional Paid In Capital)	73.48	327.49	8.57	2.78	134.28	-	70.01
Reserves & Surplus	(99.63)	160.34	(10.76)	0.09	(0.51)	(0.83)	31.67
Total assets	730.33	541.89	120.74	5.41	158.31	0.37	197.71
Total liabilities	756.48	54.06	122.93	2.54	24.53	1.19	96.04
Investments	522.79	-	-	-	-	-	-
Turnover	9.35	317.50	155.53	2.52	75.42	1.77	8.80
Profit/ (Loss) before taxation	(23.59)	70.21	(8.57)	0.23	(0.50)	0.09	0.59
Provision for taxation	0.02	-	-	0.03	0.01	-	0.11
Profit/ (Loss) after taxation	(23.61)	70.21	(8.57)	0.20	(0.51)	0.09	0.48
Other Comprehensive Income	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100

* For the purposes of the Consolidated Financial Statements included in this annual report, the accounts of the Company have been rolled forward to March 31, 2021.
The details provided herein, however, are based on the statutory financial year.

1. Name of the subsidiaries which are yet to commence operations-

a) Piramal Pharma Solutions B.V.

2. Following are new subsidiaries during the year-

a) PEL Healthcare LLC (w.e.f. June 26, 2020)

b) Convergence Chemicals Private Limited (w.e.f February 24, 2021)

Part "B": Associates

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

Name of the Associates	**Allergan India Private Limited**
Latest Audited Balance Sheet Date	March 31, 2021
Shares of Associates / Joint Ventures held by the Company on the year end	
- Number	39,20,000
- Amount of Investment in Associate / Joint Venture	3.92
- Extent of Holding %	49%
Description of how there is significant influence	Based on shareholding
Reason why the associate / joint venture is not consolidated	Not Applicable since Equity accounting has been adopted
Networth attributable to Shareholding as per latest audited Balance Sheet	142.57
Profit / Loss for the year	
i. Considered in Consolidation	50.99
ii. Not considered in Consolidation	Not Applicable

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

Director

Director

Place: Mumbai

Date: June 1, 2021

Chief Financial Officer

Company Secretary

ANNEXURE C
CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Statement of Intent

India faces enormous challenges in provision of basic public services to large parts of the population, both in rural and urban centers. The Government has, over the years, made strides in bridging gaps in supply of public services through large interventions and programmes with a national footprint. Most of these programmes have received strong budgetary support to expand their reach. However, a lot of ground is to be covered in improving the quality of these services, albeit at a reasonable cost.

The country currently benefits from a demographic dividend – the large percentage of young and income generating population is India's strength. There is, at the same time, a strong need to ensure that the youth are offered opportunities – to enhance their skills that can help the country maximize economic opportunities and to develop skills, empathy and ethical standards that would aid the process of nation building.

There is also a growing realization that complex and seemingly insurmountable social problems cannot be solved by individual organizations or a single stakeholder group. It requires different parts of the ecosystem such as funders, government, non-profits, corporates and media to work collaboratively to create long-term social change.

In doing so, Piramal Pharma Limited ("PPL" or "Company") believes that:

- It can play a meaningful role in bringing professionalism, leadership and discipline to projects in pursuit of Corporate Social Responsibility ("CSR").

- Innovation can play a crucial role in developing 'out of the box' solutions to seemingly intractable problems.

- It is crucial that any solution backed by the Company has the potential to achieve scale and be replicable across large geographies of India. In doing so, the Company will actively seek partnerships, with government and private entities, in an open source relationship that seek to maximize the impact of its solutions.

2. Interpretation

For the purposes of this Policy references to the following shall be construed as:

a) "Act" means Companies Act, 2013;

b) "CSR entities" means an entity, other than the Company, eligible to undertake CSR activity under the Act and/ or the Rules (defined hereinafter) that may be engaged by the Company for the purpose of undertaking CSR activities from time to time.

c) “Group” means the Piramal Group and includes the Company, Holding company and its Subsidiaries and Associates;

d) “Rules” means The Companies (Corporate Social Responsibility Policy) Rules, 2014.

3. Corporate Social Responsibility (CSR) Committee

Composition of CSR Committee

The Board has established a Committee of the Board as the CSR Committee. The Committee currently comprises of three directors of the Board and its composition more than adequately meets the requirements of the Act.

Terms of reference

The terms of reference of the CSR Committee are as follows:

i. 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 the annual action plan(s);

ii. Formulate and recommend annual action plan(s), and any modifications thereof, to the Board comprising of following information:

   a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

   b. the manner of execution of such projects or programmes;

   c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d. monitoring and reporting mechanism for the projects or programmes; and

   e. details of need and impact assessment, if any, for the projects undertaken by the Company.

iii. Approve specific projects, either new or ongoing, in pursuance of the Areas of interest outlined in this Policy, either for undertaking such projects by the Company itself, directly or through CSR entities, for inclusion in the annual action plan or for contributing to specific funds/ agencies as specified in Schedule VII of the Act;

iv. 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;

v. Review the progress of CSR initiatives undertaken by the Company;

vi. Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects referred to above;

vii. Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report;

viii. Review and recommend to the Board, the impact assessment report as may be obtained by the Company from time to time;

ix. Undertake such activities and carry out such functions as may be provided under Section 135 of the Act and the Rules.

The Committee shall meet as frequently as desired for the aforesaid purposes.

4. <u>Selection of CSR Projects</u>

The Company is committed to transforming health, education, sanitation & making available safe drinking water and social sector ecosystems through high impact solutions, thought leadership and partnerships.

Accordingly, the CSR Project selection and execution by the Company will be guided by the following core values of the Group:

<u>Knowledge</u>

- **Expertise:** We strive for a deeper understanding of our domain.
- **Innovation:** We aspire to do things creatively.

<u>Action</u>

- **Entrepreneurship:** We are empowered to act decisively and create value.
- **Integrity:** We are consistent in our thought, speech and action.

<u>Care</u>

- **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.

<u>Impact</u>

- **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.

The CSR Project may be selected by the CSR Committee, either based on its own discretion or based on recommendations by any stakeholder or Director(s). The CSR Committee, while formulating the Annual Action Plan and recommending to the Board, will accord priority to projects in the Areas of interest of the Company as specified below.

The Company shall endeavour to spend in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years. In case the Company fails to spend such amount or spends in excess, the unspent amount or the excess amount respectively, shall be dealt with in accordance with the Act and Rules and requisite explanation shall be provided in the Board's Report. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be dealt with in accordance with the Act and Rules.

5. CSR Activities

Areas of interest for Corporate Social Responsibility

The Company has chosen the following areas ('Areas of interest') for its CSR projects, which may be carried out by way of direct participation/ implementation or through implementation agency.

These are:

a) Promoting health care including preventive healthcare and sanitation and making available safe drinking water;

b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects;

c) Promoting gender equality and empowering women;

d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

e) Contribution to PM National Relief Fund or any fund set up by Central Government for socio-economic development and relief and welfare of Scheduled Castes, Scheduled Tribes and other backward classes, minorities and women;

f) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

g) Rural development projects;

h) Other focus areas as may be reviewed and included by CSR Committee, from time to time, in line with provisions of Act and in line with the emerging societal circumstances and in consideration of changing national priorities of the government.

6. Implementation of CSR Projects

The CSR initiatives of the Company, undertaken as projects or programmes or activities, whether new or ongoing, may be either undertaken by the Company directly or in collaboration with other companies or through CSR entities or through other implementing agencies eligible under the Rules to implement CSR activities.

The implementing agency, engaged by the Company or by CSR Entities, should be covered under Rule 4(1) of the Rules and registered with Central Government and should be in possession of unique CSR Registration Number. The implementing agency should be credible and should have the ability to execute the project or programme effectively. The disbursement by the Company to the implementing agency should be made only upon receipt of proposal along with budget and implementation schedule. The disbursement may be made in tranches in order to ensure that the amount does not lie unspent with the implementing agency.

Where the Company collaborates with other companies for undertaking projects or programmes or CSR activities, the CSR Committee of the Company should be in a position to report on such projects or programmes separately in accordance with the Rules laid down under the Act.

7. Review, Monitoring and Impact assessment

There shall be a regular monitoring and reporting of progress from the senior management team or from the teams of the CSR entities or implementing agencies responsible for implementing these projects. In case of ongoing project, the monitoring shall be with respect to implementation of the project with reference to approved timelines and year-wise allocation.

The implementing agencies, including CSR entities, shall keep the Company informed about any information or circumstances that will affect the ability of the agency to carry out the CSR project or programme. Where the CSR amount spent results or resulted in creation or acquisition of capital asset, the Company shall confirm to the CSR Committee about the entity holding the capital asset in accordance with the Rules.

The representatives of the Company and/or CSR entities shall carry out site visits/ field visits on a periodic basis. The Company shall carry out impact assessment by engaging independent agency either directly or through CSR entities, in accordance with the Act and Rules.

The CSR Committee shall review the progress reports received from the Company and implementing agencies. The CSR Committee shall also monitor the utilization of the funds disbursed for the purposes and in the manner approved by the Board.

The outcome of impact assessment, as and when undertaken, and progress reports submitted, will be taken into consideration while engaging the implementation agencies for subsequent CSR projects and programmes and while finalizing the Annual Action Plan for the subsequent year.

8. Collaboration

The Company believes that complex and seemingly insurmountable social problems cannot be solved by individual organizations or a single stakeholder group. It requires different parts of the ecosystem such as funders, government, non-profits, corporates and media to work collaboratively to create long-term social change.

Towards enabling this vision, the Company will actively seek or assist in forming partnerships with national/ state governments in a public private partnership to leverage national programmes. These partnerships will seek to expand the impact of our interventions across wider geographies in India.

The Company shall be open to partnerships with other foundations, multilateral and bilateral funding agencies for project implementation and with alliances set up for advocacy on issues related to public policy.

The Company shall also explore partnerships/ alliances with academic institutions to spread awareness and further research in areas of public interest covered under this Policy.

9. Reporting and Disclosure

The CSR Committee shall report to the Board of the Company. The Composition of the CSR Committee, CSR projects approved by the Board and this Policy shall be disclosed on the website of the Company, if any, for public access.

10. Amendments

Amendments to the CSR Policy, if any, shall be considered by the Board of the Company, based on the recommendations of the CSR Committee. This Policy has been made as per the provisions of the Act and the Rules made thereunder (‘Applicable law’). Any amendments in the Applicable Law, including any clarifications/ circulars of relevant regulator, if mandatory, shall be read with this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

ANNEXURE D

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014 FOR THE PERIOD ENDED MARCH 31, 2021

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

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

Pithampur

a. Utilities upgraded by replacing conventional reciprocating Air Compressor with Energy Efficient Screw Air Compressor.
b. M Block (low relative humidity block) qualified and in operation for normal temperature and relative humidity as per requirement to obtain energy savings.
c. Reduced carbon footprint and power consumption by replacing old air conditioners with new energy efficient air conditioners operating on eco-friendly refrigerant.
d. Conventional lighting fixtures replaced with LED lights.
e. Energy efficient blowers used in newly installed HVAC system.

Ennore

a. Replacement of 60 HP air compressors with new 40 HP energy efficient air compressor, which resulted in reduction of power consumption of 64,116 units per annum.
b. Installation of energy efficient fans in the cooling towers and reduced power consumption 10,185 units per annum.
c. Replacement of old transformers with new transformer which resulted in to reduction of power consumption of 89,897 units per annum.
d. Replacement of Air Handling Unit V-Belts to Flat belts resulted in to reduction of power consumption of 41,467 units per annum.
e. Replacement of Steam operated ejector system in to dry screw vacuum pump resulted in to reduction of power consumption of 19,998 units per annum.

Digwal

a. Installation of Auto tube cleaning system for chiller condensers so as to increase the Chiller efficiency & will reduce the power consumption 27,353 units/annum.
b. Recovery of steam from boiler blow down water & reusing it for increasing the boiler feed water temperature. This will reduce coal consumption by 8MT/annum.
c. Increase condensate recovery from 50% to 65% by installing SOPT (Steam Operated Pump Trap) & maintaining oxygen percentage of 4 to 5% in flue gas has reduced Coal consumption by 615MT/annum.

d. APFC (auto power factor control) panel installation has helped in reducing the Power consumption by 28285 units /annum.
e. Installation of Level switches for tanks has reduced the power consumption by 34720 units/annum.
f. Arrangement of timers for vessel lamps in for reactors has reduced power consumption by 10681 units/annum.

Ahmedabad PPDS

a. Installation of three new centrifugal pump with energy efficient motor rating of 5.5 KW against existing three centrifugal pump of 7.5 KW motor rating for chiller operation in utility area. Newly installed pump will save 2 KW per hour of pump operation.
b. Installation of energy efficient pressure independent balancing & control valve in 5 Air Handling unit of pilot plant for cooling & heating application. These valves will provide the right flow at the right time that optimizes chiller and boiler efficiency.
c. Integration of cold/cabinet/Refrigerator & pilot plant environmental monitoring into existing BMS software eliminated refrigeration alarm system & EMS system. Now only one software is in usage for environmental monitoring. Earlier three software were in usage for monitoring of these areas. The integration of BMS software eliminated usage of multiple HMI.
d. Installation of digital DPT in pilot plant & micro area for differential pressure monitoring. Earlier two types of instruments were available for differential monitoring i.e. manual magnehelic gauge & DPT. Both sensor required separate calibrations. To have linearity in data new digital display DPT was installed by removing magnelic gauges & DPT. These digital DPT saves the half-yearly calibration cost of 50 manual magnehelic gauge.
e. Installation of energy efficient LED light fitting in ground floor admin sitting area, scientist sitting area ground floor & analytical lab. Earlier CFL & Fluorescent lighting are in usage.

Ahmedabad PDS

Installation of the VFD recirculation pump to reduce the water flow at the ETP plant. Replacement of the roof of the court yard, with the sandwich roof sheet (65 mm PUF insulated sheet) to decrease the temperature and to balance HVAC load.

Rabale

a. Creation of Research & Development facility in the MIDC area at Rabale – New Mumbai - India.
b. During the project execution, due importance to green building principles.
c. Consideration of parameters like Site & Facility Management, Water Efficiency, Energy Efficiency, Health & comfort while designing and implementing the infrastructure of the R&D centre.
d. Provided Energy efficient Lighting and air-conditioning system in entire premises with strategic isolation system so as to achieve nearly Zero wastage.

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

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

The following steps were taken at the Pithampur plant of the Company:

a. Reject water of reverse osmosis water system (stability block) reused for domestic use in Toilets.
b. Continued use of agro-briquette a clean energy source as fuel for boiler and hydro-electric power in addition to conventional power.

iii. The Company's Plants have collectively made capital investments in energy conservation equipment aggregating to ₹ 3.53 Crores.

B. TECHNOLOGY ABSORPTION

i. Action taken:

Pithampur

a. State of the art microlab facility has been put into operation by using isolator for sterility testing.
b. Implementation of SAP plant maintenance and SAP warehouse management module.
c. Print and apply system implemented on packaging lines.
d. Wet Scrubber for coating machine and bag filter for boilers installed and commissioned.
e. Technology import:
    - Trane Centrifugal Chiller 600 TR capacity imported from China.
    - Korsch Tablet Compression m/c XL400 and XL 600 from Germany.

Ennore

Adopted polyhouse technology for ETP sludge drying to reduce moisture content.

Digwal

Efforts such as lab familiarisation, robustness study, plant-scale execution, validations, process development reports / campaign reports, process safety reports & facility creation were done for new service molecules.

Ahmedabad PPDS

- **Solid State Characterization Instruments (P-XRD, DSC, HSM, TGA):** Solid state characterization is a very important tool to understand formulation development attributes. PPDS, Ahmedabad used to outsource formulation/drug substance samples for characterization studies like (Polymorphism, particle size determination for reverse engineering, morphology and thermal properties). These instruments were available at Piramal, Mumbai but were not in effective use and transferred to PPDS, Ahmedabad. These technologies enhanced understanding of solid-state attributes in drug product development.

- **ICP-MS:** As per ICH Q3D (R1) guideline, control of elemental impurities in drug substance and drug product is necessary. This technology addition enabled estimation of elemental impurities in drug product development. This instrument is very critical tool used in extractable and leachable study of injectable. This instrument was available at Piramal, Mumbai but were not in effective use and transferred to PPDS, Ahmedabad.

- **HR-MS and GC-MS:** These are very specific instruments used for characterization of drug substances, impurities, extractable and leachable studies, and specifically for nitrosamine impurities analysis in drug substances and drug products. These instruments were available at Piramal, Mumbai but were not in effective use and transferred to PPDS, Ahmedabad.

Rabale

a. Effluent water management system at Rabale R&D centre having Zero Liquid Effluent discharge facility. Approx. 200,000 lit. Effluent water is treated and recycled every month.
b. On-line electricity consumption management system is being implemented to understand the wastages and to achieve the reduction in energy cost.
c. Feasibility check is initiated for installing the Solar power generation plant to achieve further reduction in utility cost.

ii. Benefits derived:

Pithampur

a. 30% Productivity improvement by using cutting edge technology Glatt Coater and advanced automated Korsch Compression machine.
b. HDPE bottle and Cap used in Packaging substituted with indigenous source.

Ennore

ETP sludge moisture content reduced from 30% to < 10% for disposal.

Digwal

Product improvements, product development and cost reduction.

Ahmedabad PDS

Reduction of water and manpower after installation of a dish washer machine on site

Expenditure on R&D

The Company incurred an expenditure of ₹ 69.14 Crores on Research and Development during the period ended March 31, 2021.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period, foreign exchange earnings were ₹ 2,010.14 Crores as against outgo of ₹ 97.82 Crores.

ANNEXURE E

NOMINATION POLICY

Preamble

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

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

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

A. Directors

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

4. Criteria for Independence applicable for selection of Independent Directors:

a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act, 2013, as amended or re-enacted or notified from time to time.

b) Such Candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence

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

6. Extension of existing term of Independent Directors

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

B. Members of Senior Management

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

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.

2. Candidates for Board membership may be identified from a number of sources, including but not limited to past and present members of the Board and Directors database.

3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in senior management. The NRC may also 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 Companies Act, 2013 or any other applicable law, the NRC may recommend to the Board, the removal of the said Director subject to and in compliance with the statutory provisions.

2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.

2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that 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 applicable provisions of Section 178 and other applicable provisions of the Companies Act, 2013.

1.3 This Policy reflects the core values viz. Knowledge, Action, Care and Impact.

2. Designing of Remuneration Packages

2.1. While designing remuneration packages, the following factors are taken into consideration:

a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;
b. Current industry benchmarks;
c. Cost of living;
d. Maintenance of an appropriate balance between fixed, performance linked variable pay and long term incentives reflecting long and short term performance objectives aligned to the working of the Company and its goals;
e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department / function and of the Company.

3. Remuneration to Directors

A. Non- Executive/ Independent Directors:

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

i. <u>Sitting Fees:</u> The Non- Executive / Independent Directors receive remuneration in the form of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.

ii. Commission: Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable statutory requirements.

B. Remuneration to Whole – Time Directors

i. The remuneration to be paid to the Whole – Time Directors shall be in compliance with the applicable statutory requirements, including such requisite approvals as required by law.

ii. Increments may be recommended by the NRC to the Board which shall be within applicable statutory limits.

iii. The Board may at the recommendation of the NRC and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws.

4. Remuneration to Key Managerial Personnel and Senior Management

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

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

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

5. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

6. Disclosure

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

7. Review

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

ANNEXURE F

Form No. AOC – 2

**[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act')
and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts or arrangements or transactions entered into during the period ended March 31, 2021, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   The details of material contracts or arrangements or transactions at arm's length basis for the period ended March 31, 2021 are as follows:

Sr. No	Name(s) of the related party & Nature of relationship	Nature, salient features of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Date(s) of approval by the Board, if any	Amount paid
1.	Piramal Enterprises Limited (Holdings Company)	The Company has acquired Pharmaceutical Business from Holding Company.	June 26, 2020 to October 06, 2020	June 26, 2020	₹ 4,487 Crores

For and on behalf of the Board of Directors

Place: Mumbai
Date : June 1, 2021

Director **Director**

ANNEXURE G

To,

The Members,
Piramal Pharma Limited

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

(1) Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

(4) Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other Applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: May 11, 2021
Place: Mumbai

For N. L. Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
UDIN: F008663C000272190

Bhaskar Upadhyay
Partner
FCS: 8663
CP. No. 9625

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31st 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
PIRAMAL PHARMA LIMITED

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

Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:
1. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
2. The Companies (Amendment) Act, 2017 and the Rules made thereunder (to he extent notified);
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
4. The Depositories Act, 1996 and amendments thereof and the Regulations and bye-laws framed thereunder;
5. Other 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.

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

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company has complied with the Secretarial Standards in respect of the Meetings of its Members and its Committees.

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

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

We further report that, during the period under review:

1. The Authorised share capital has been increased from Rs.10,00,000 divided into 1,00,000 equity shares of Rs 10 each to Rs 100,10,00,000 divided into 10,01,00,000 equity shares of Rs 10 each after obtaining approval from shareholder at the Extra Ordinary General Meeting dated 20th June, 2020. Further, it was increased from Rs 100,10,00,000 divided into 10,01,00,000 equity shares of Rs 10 each to Rs 16,00,00,00,000 divided into 150,00,00,000 equity shares of Rs 10 each and 10,00,00,000 Compulsory Convertible Preference Shares of Rs 10 each after obtaining approval from Shareholder dated 10th September 2020.
2. The shareholder(s) had approved increase in borrowing limits upto Rs. 2,500 crores over and above the aggregate of the paid-up share capital of the Company, its free reserves and securities premium as prevailing from time to time, exclusive of interest and other charges at Extraordinary General Meeting held on 20th June, 2020.
3. The shareholder(s) had approved limits of inter corporate loans and investments upto Rs 5,000 Crores over and above 60% of the Company’s paid-up share capital, free reserves and securities premium account or 100% of the Company’s free reserves and securities premium account of the Company, whichever is higher at the Extraordinary General Meeting dated 20th June 2020.
4. The Company has allotted 785,000,000 equity shares of Rs. 10 each on Rights basis to Piramal Enterprises Limited.
5. The members approved the issuance of 20,95, 92,064 equity shares of Rs. 10 each at a valuation of Rs. 173.36 per share and 75,00,00,000 Preference shares of Rs. 10 each on a preferential basis.

6. The Company has allotted 19,89,20,413 equity shares of Rs. 10 each and 7,50,00,000 Non-Cumulative Compulsorily Convertible Preference shares of Rs 10 each to CA Alchemy Investments on preferential basis.
7. The Company has allotted 1,06,71,651 Equity shares of Rs. 10 each to Piramal Enterprise Limited on preferential basis.
8. The Company has altered its Memorandum of Association of the Company after obtaining approval from Members in the Extraordinary General Meeting held on 6th October 2020.
9. The Company has restated its Articles of Association after obtaining approval from members in the Extraordinary General Meeting held on 6th October 2020.
10. The Company acquired the Pharmaceutical business from Piramal Enterprises Limited
11. The Board had approved the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited at a consideration not exceeding Rs. 1160 Crores.

Date: May 11, 2021
Place: Mumbai

For N. L. Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800
UDIN: F008663C000272190

Bhaskar Upadhyay
Partner
FCS: 8663
CP. No. 9625
P/R No. 700/2020

'ANNEXURE A'

LIST OF OTHER APPLICABLE LAWS (*including statutory amendments made thereto or amendments thereof for the time being in force*):

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

30. Employee’s State Insurance Act, 1948 and Employees’ State Insurance (Central) Rules, 1950 and Employees’ State Insurance (General) Regulations, 1950
31. Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and Employees’ Provident Fund Scheme, 1952 and Employees’ Pension Scheme, 1995 and Employees’ Deposit Linked Insurance Scheme, 1976
32. Equal Remuneration Act, 1976 & Equal Remuneration Rules, 1976
33. Maternity Benefit Act, 1961 and applicable State Rules
34. Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
35. Payment of Wages Act, 1936 and Payment of Wages (Nomination) Rules, 2009 and applicable State Rules
36. Minimum Wages Act, 1948 and Minimum Wages Rules, 1950 and applicable State Rules
37. Payment of Gratuity Act, 1972 and applicable State Rules.
38. Bombay Labour Welfare Fund Act, 1953 Rules thereunder and other State Acts and Rules thereunder
39. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
40. Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011.
41. Income Tax Act, 1961, Central Goods and Services Tax Act, 2017, Central Excise Act, 1944 and rules thereunder; State Acts governing Profession Tax, Tax on Trades, Callings and Employments Act and rules thereunder
42. Environment (Protection) Act, 1986 and E-Waste (Management) Rules, 2016, Batteries (Management & Handling) Rules, 2001
43. Any other Central and State Acts and Rules made thereunder, as may be applicable.

Deloitte
Haskins & Sells LLP

Chartered Accountants
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Senapati Bapat Marg
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Maharashtra, India

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INDEPENDENT AUDITOR'S REPORT

To The Members of Piramal Pharma Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Piramal Pharma Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period from 04 March 2020 to 31 March 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the period from 04 March 2020 to 31 March 2021.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

As more fully described in note 2b(i) to the standalone financial statements to assess the recoverability of certain assets, the Company has considered internal and external information in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the period from 4 March 2020 to 31 March 2021 is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 21046930AAAACQ9547)

Place: Mumbai

Date: 1 June 2021

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 to the members of the Piramal Pharma Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Piramal Pharma Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the period from 04 March 2020 to 31 March 21.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 21046930AAAACQ9547)

Place: Mumbai

Date: 1 June 2021

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.

(b)The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 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 fixed assets 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.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sales deed/ transfer deed/ conveyance deed/ Business Transfer agreement provided to us, we report that, the title deeds, comprising of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date except the following:

Particulars	**Gross Block as at March 31, 2021(Rs in crores)**	**Net Block as at March 31, 2021 (Rs in crores)**	**Remarks**
Freehold land located at Ennore admeasuring 75.38 Acres with the buildings appurtenant thereto	23.78	20.21	Land parcels along with the buildings appurtenant thereto acquired pursuant to Business Transfer Agreement dated June 26, 2020 between the Company and Piramal Enterprises Limited is yet to be registered in the name of the Company.
Freehold land located at Digwal/Hyderabad admeasuring 87.00 Acres & 47 Guntas with the buildings appurtenant thereto	90.52	73.16	

In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories excluding stocks with other third parties were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventory lying with other third parties, confirmations were obtained by the Management for substantial portions of stocks held by them at the year-end.

(iii) According to the information and explanation given to us, the Company has not granted any secured loans to companies ,firms or other parties covered in the Register maintained under section 189 of the Act. In respect of unsecured loans to companies covered in the Register maintained under section 189 of Companies Act, 2013 :

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest
(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations
(c) There is no overdue amount remaining outstanding as at the balance sheet date

(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 during the year in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Excise Duty, Sales Tax, Service Tax Customs Duty, cess and other material statutory dues in arrears as at March 31 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service tax and Value Added Tax which have not been deposited as on 31 March 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Gross amount of dispute (Rs In Crores)	Amount unpaid (Rs In Crores)
Central Excise Laws	Excise Duty & Service Tax including interest and penalty, as applicable.	High Court	2008-09 to 2012-13	9.42	7.54
		CESTAT	1998 to 2005 and 2010-11	1.93	1.79
		Appellate Authority upto Commissioner's level	2006-07,2009-2015	0.43	0.20
Goods & Service Tax	Goods & Service Tax	Appellate Authority upto Commissioner's level	2019-2020	0.03	-
Custom Law	Custom Duty	CESTAT	2009-2012	1.57	1.41
Sales Tax Laws	Sales Tax	High Court	2005-06 and 2014-15 to 2017-18	1.06	0.71

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from banks. The Company has neither borrowed from financial institutions and government nor issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 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 all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made private placement of Equity shares and Fully Compulsorily Convertible Preference shares during the period under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
b) the amounts raised have been applied by the Company during the period for the purposes for which the funds were raised i.e. general corporate purpose and to discharge the payables created under the business transfer agreement and the other share purchase agreement, on account of acquisition.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rupen K. Bhatt
(Partner)
(Membership No. **046930**)
(UDIN: 21046930AAAACQ9547)

Place: Mumbai

Date: 1 June 2021

Piramal Pharma Limited
Balance Sheet as at March 31, 2021

	Note No.	As at Mar 31, 2021 Rs. in Crores	
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipment	3		1,291.78
(b) Capital Work in Progress			79.34
(c) Intangible Assets	3		321.58
(d) Intangible Assets Under Development			41.66
(e) Right of Use Asset	42		13.45
(f) Financial Assets:			
(i) Investments	4	1,591.52	
(ii) Loans	5	613.81	
(iii) Other Financial Assets	6	10.75	2,216.08
(g) Other Non-Current Assets	7		25.28
Total Non-Current Assets			**3,989.17**
Current Assets			
(a) Inventories	8		420.88
(b) Financial Assets:			
(i) Trade Receivables	9	839.75	
(ii) Cash & Cash Equivalents	10	146.73	
(iii) Bank Balances Other Than (ii) above	11	5.62	
(iv) Loans	12	10.60	
(v) Other Financial Assets	13	100.28	1,102.98
(c) Other Current Assets	14		243.64
Total Current Assets			**1,767.50**
TOTAL ASSETS			**5,756.67**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	994.60	
(b) Share warrants	15	0.10	
(c) Other Equity	16	3,105.92	
Total Equity			**4,100.62**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities:			
Lease Liability	42		7.37
(b) Provisions	17		6.59
(c) Deferred Tax Liabilities (Net)	18		170.42
Total Non-Current Liabilities			**184.38**
Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	19	165.20	
(ii) Trade Payables			
Total outstanding dues of Micro enterprises and small enterprises		26.61	
Total outstanding dues of creditors other than Micro enterprises and small enterprises		557.51	
(iii) Lease Liability		1.69	
(iv) Other Financial Liabilities	20	633.52	1,384.53
(b) Other Current Liabilities	21		46.57
(c) Provisions	22		30.88
(d) Current Tax Liabilities (Net)	23		9.69
Total Current Liabilities			**1,471.67**
Total Liabilities			**1,656.05**
TOTAL EQUITY & LIABILITIES			**5,756.67**

The above Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, June 01, 2021

For and on behalf of the Board of Directors

Nandini Piramal
Director
DIN : 00286092

Rajesh Laddha
Director
DIN : 02228042

Vivek Valsaraj
Chief Financial Officer

Tanya DCosta
Company Secretary

Mumbai, May 11, 2021

PIRAMAL PHARMA LIMITED
Statement of Profit and Loss for the period March 04,2020 to March 31, 2021

	Note No.	For the period March 04, 2020 To March 31, 2021 Rs. in Crores	
Revenue from operations	24		2,938.81
Other Income (Net)	25		197.97
Total Income			**3,136.78**
Expenses			
Cost of materials consumed	26	1,028.84	
Purchases of Stock-in-Trade	27	141.07	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	57.86	
Employee benefits expense	29	395.15	
Finance costs	30	4.71	
Depreciation and amortization expense	3 & 42	143.64	
Other expenses	31	696.96	
Total Expenses			**2,468.23**
Profit Before Exceptional Items and Tax			**668.55**
Exceptional Items	32		18.23
Profit before Tax			**686.78**
Less: Income Tax Expense	46		
Current tax			104.98
Deferred Tax (Net)			10.30
			115.28
Profit after Tax			**571.50**
Other Comprehensive Income / (Expense) (OCI), net of tax expense:	33		
A. Items that will not be reclassified to profit or loss			
Remeasurement of Post Employment Benefit Obligations		(3.28)	
Income Tax Impact on above		0.82	**(2.46)**
B. Items that will be reclassified to profit or loss			
Deferred gain on cash flow hedge		7.66	
Income Tax Impact on above		(1.93)	**5.73**
Total Other Comprehensive Income (OCI) for the period, net of tax expense			**3.27**
Total Comprehensive Income for the period, net of tax expense			**574.77**
Earnings Per Equity Share (Basic) (Rs.) (Face value of Rs. 10/- each)	41		**12.70**
Earnings Per Equity Share (Diluted) (Rs.) (Face value of Rs. 10/- each)	41		**12.70**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, June 01, 2021

For and on behalf of the Board of Directors

Nandini Piramal
Director
DIN : 00286092

Rajesh Laddha
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DIN : 02228042

Vivek Valsaraj
Chief Financial Officer

Tanya DCosta
Company Secretary

Mumbai, May 11, 2021

Piramal Pharma Limited
Cash Flow Statement For The Period Ended March 31, 2021

		For the period March 04, 2020 To March 31, 2021 Rs. in Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Profit before exceptional items and tax	668.55
	Less : Profit for the period Mar 4,2020 to October 5, 2020	(319.44)
	Profit for the period Oct 6,2020 to Mar 31,2021	349.11
	Adjustments for :	
	Depreciation and amortisation expense	60.96
	Provision written back	(1.72)
	Finance Costs considered separately	4.71
	Interest Income on Financial assets	(16.29)
	Dividend received	(49.00)
	(Gain)/Loss on Sale of Property Plant and Equipment	0.05
	Write-down of Inventories	13.97
	Expected Credit Loss on Trade Receivables	0.96
	Unrealised foreign exchange (gain) / loss	(4.68)
	Operating Profit Before Working Capital Changes	**358.07**
	Adjustments For Changes In Working Capital :	
	Adjustments for (increase) / decrease in operating assets	
	- Trade receivables	(286.52)
	- Other Current Assets	(17.45)
	- Other Non Current Assets	4.83
	- Other Financial Assets - Non Current	12.82
	- Inventories	95.36
	- Other Financial Assets - Current	(47.14)
	Adjustments for increase / (decrease) in operating liabilities	
	- Trade Payables	27.58
	- Non - Current provisions	(30.12)
	- Other Current Financial Liabilities	(12.68)
	- Other Current Liabilities	(5.50)
	- Current provisions	30.76
	Cash Generated from Operations	**130.01**
	- Taxes Paid (Net of Refunds)	(95.29)
	Net Cash Generated from Operating Activities	**34.72**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Payments for Purchase of Property Plant and Equipment / Intangible Assets	(58.11)
	Proceeds from Sale of Property Plant and Equipment / Intangible Assets	2.93
	Payment for purhase of pharma business	(3,710.00)
	Interest Received	0.49
	Other Bank Balances	(5.62)
	Dividend received	49.00
	Investment in equity shares of subsidiary	(65.10)
	Loans to related parties (Net of repayments)	(596.48)
	Net Cash Used in Investing Activities	**(4,382.89)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Proceeds from Current Borrowings	
	- Receipts	473.39
	- Payments	(383.01)
	Lease payments	
	- Principal	(0.77)
	- Interest	(0.42)
	Rights issue proceeds	785.00
	Receipt from issue of equity shares	3,448.41
	Proceeds from Compulsorily Convertible Preference Share Issue	75.00
	Finance Costs Paid	(4.29)
	Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	100.85
	Net Cash Generated from Financing Activities	**4,494.16**

Piramal Pharma Limited
Cash Flow Statement For The Period Ended March 31, 2021

	For the period March 04, 2020 To March 31, 2021 Rs. in Crores
Net Increase in Cash & Cash Equivalents [(A)+(B)+(C)]	145.99
Cash and Cash Equivalents as at March 4, 2020	0.74
Cash and Cash Equivalents as at March 31, 2021	**146.73**
Cash and Cash Equivalents Comprise of :	
Cash on Hand	0.11
Balance with Scheduled Banks in Current Accounts	146.62
Fixed Deposit with maturity less than 3 months	-
	146.73

Note:
On October 06, 2020, the Company issued 1,06,71,651 fully paid equity shares with face value of Rs. 10 each and carrying security premium of Rs. 163.36 per share, aggregating to Rs. 185 crore in exchange for 1,00,000 fully paid equity share of Rs. 10 each of Piramal Healthcare Inc. having a carrying value of Rs 86.44 crores, acquired pursuant to agreement for purchase of Pharma business entered into between the Company and Piramal Enterprise Limited (Refer note 48).

The above Statement of Cash flow should be read in conjunction with the accompanying notes
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, June 01, 2021

For and on behalf of the Board of Directors

Nandini Piramal
Director
DIN : 00286092

Rajesh Laddha
Director
DIN : 02228042

Vivek Valsaraj
Chief Financial Officer

Tanya DCosta
Company Secretary

Mumbai, May 11, 2021

Piramal Pharma Limited
Statement of Changes in Equity for the Period ended March 31, 2021

A. Equity Share Capital (Refer Note 15):

Particulars	Rs. in Crores
At the incorporation of the Company	0.01
Issued during the period	994.59
Balance as at March 31, 2021	**994.60**

B. Share Warrants

Particulars	
Balance as at March 04, 2020	-
Issued during the period	0.10
Balance as at March 31, 2021	**0.10**

C. Other Equity

Particulars	Notes	Reserves & Surplus			Other Items in OCI	Total
		Capital Reserve On account of Business transfer from Piramal Enterprise Limited (Holding Company) to the Company	Securities Premium	Retained Earnings	Cash Flow Hedging Reserve	
Balance as at March 04, 2020		-	-	-	-	-
Acquired from Piramal Enterprises Limited through business transfer agreement (refer note 48)	16	(392.00)	-	-	-	(392.00)
Adjusted balance as at March 04, 2020		**(392.00)**	**-**	**-**	**-**	**(392.00)**
Add: Cash balance not taken over (including generated out of operations for the period from March 4, 2020 to October 5, 2020) (Refer Note 48)		(326.34)	-	-	-	(326.34)
Profit after tax for the period		-	-	571.50	-	571.50
Other Comprehensive Expense (net of tax expense) for the period		-	-	(2.46)	5.73	3.27
Issue of Equity Shares (Refer Note 48)		-	3,249.49	-	-	3,249.49
Balance as at March 31, 2021		**(718.34)**	**3,249.49**	**569.04**	**5.73**	**3,105.92**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, June 01, 2021

For and on behalf of the Board of Directors

Nandini Piramal
Director
DIN : 00286092

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Vivek Valsaraj
Chief Financial Officer

Tanya DCosta
Company Secretary

Mumbai, May 11, 2021

Piramal Pharma Limited
Notes to financial statements for the Period ended March 31, 2021

1. GENERAL INFORMATION

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

In Pharma, through end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, The Group sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Products segment in India.

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

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

Compliance with Ind AS

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

This being the first year of operations, financial statements are prepared for the period starting from March 04, 2020 to March 31, 2021 (the period).

Historical Cost convention

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

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2020:

• Definition of Material – amendments to Ind AS 1 and Ind AS 8
• COVID-19 related concessions – amendments to Ind AS 116

The amendments listed above did not have any impact/ material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

ii) Investments in subsidiaries & associates

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

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

iii) Common control transactions :

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

1) The assets and liabilities of the combining entities are reflected at their carrying amounts. The Company has made accounting policy choice to account investment in associates and joint venture at a carrying cost as appearing in the books of acquiree.

2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

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

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

iii) **Property, Plant and Equipment**

Freehold Land is carried at historical cost. All other items of Property Plant & Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured.

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

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

Asset Class	**Useful life**
Buildings*	10 years - 60 years
Roads	10 years
Furniture & Fixtures	3 years - 15 years
Plant & Equipment	3 years - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	8 years

*Useful life of leasehold improvements is as per lease period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

iv) **Intangible Assets**
Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

Development

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- It is technically feasible to complete the asset so that it will be available for use;
- Management intends to complete the asset and use or sell it;
- There is an ability to use or sell the asset;
- It can be demonstrated how the asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- The expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Asset Class	**Useful life**
Brands and Trademarks	10 - 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years
Computer Software	3 - 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

v) **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.

vi) **Financial instruments**

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

Investments and Other Financial Assets

Classification
The Company classifies its financial assets in the following measurement categories:

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

• those measured at amortised cost.

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

<u>Subsequent Measurement</u>

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets
A financial asset is derecognised only when:
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Compulsorily Convertible Preference Shares

Compulsorily Convertible Preference Shares are classified as a financial liability measured at amortised cost until it is extinguished on conversion.

Financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments

Financial Guarantee Contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

(i) Cash flow hedges that qualify for hedge accounting:
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

(ii) Derivatives that are not designated as hedges:
The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Offsetting Financial Instruments
Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

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

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

ix) **Employee Benefits**
<u>(i) Short-term obligations</u>
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.

<u>(ii) Other long-term employee benefit obligations</u>
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.

<u>(iii) Post-employment obligations</u>
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.
<u>Defined Contribution Plans</u>
The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plan

The liability or asset recognised in the Balance Sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

x) **Provisions and Contingent Liabilities**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

xi) **Revenue recognition**

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

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

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue) is recognised.
If the contracts involve time-based billing, revenue is recognised for the amount to which the Company has a right to invoice.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend: Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

xii) **Foreign Currency Transactions**

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

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

xiii) **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.

xiv) **Leases**
The Company has applied the following standards and amendments for the first time for the annual reporting period commencing March 04, 2020:

(a) IND AS 116, Leases

Effective March 04, 2020, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on March 04, 2020 using the modified retrospective method of transition. The Company's lease asset classes primarily consist of leases for land & buildings.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The Company's lease asset classes primarily consist of leases for land, buildings and IT assets.

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.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

xvi) **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.

xvii) **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.

xviii) **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.

xix) **Standards issued but not yet effective**
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

xx) **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.

xxi) **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.

xxii) **Insurance Claim**
Insurance Claim is recorded as an income on the basis of filing of insurance claim and corresponding claim receivable is recognised as an asset.

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

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

i **Estimation of uncertainty relating to COVID-19 global health pandemic**
In assessing the recoverability of receivables and intangible assets the Company has considered internal and external sources of information, including economic forecasts and industry reports up to the date of approval of these standalone financial statements. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the company's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions. Also refer note 3, 9 and 44(a).

ii **Impairment loss in Investments carried at cost:**
The Company conducts impairment reviews of investments in subsidiaries / associates whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.

PIRAMAL PHARMA LIMITED
Notes to financial statements for the Period ended March 31, 2021

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Rs. in Crores

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT
	Balance Acquired As at March 4, 2020 refer note **	Additions	Deductions/ Adjustments	As at Mar 31, 2021 (A)	Balance Acquired As at March 4, 2020 refer note **	For the Period #	Deductions/ Adjustments	As at Mar 31, 2021 (B)	As at Mar 31, 2021 (A-B)
Tangible Assets									
Land Freehold @	21.03	-	-	**21.03**	-	-	-	**-**	**21.03**
Buildings @	737.80	15.15	14.82	**738.13**	62.15	19.62	6.66	**75.11**	**663.02**
Roads	2.08	-	-	**2.08**	0.63	0.24	-	**0.87**	**1.21**
Plant & Equipment	872.66	67.95	27.52	**913.09**	276.38	71.64	15.10	**332.92**	**580.17**
Furniture and fixtures	28.37	1.56	1.75	**28.18**	11.05	2.76	1.15	**12.66**	**15.52**
Motor Vehicles	0.86	0.02	-	**0.88**	0.40	0.11	-	**0.51**	**0.37**
Office equipment	25.65	2.87	2.71	**25.81**	12.20	4.60	1.45	**15.35**	**10.46**
Total (I)	**1,688.45**	**87.55**	**46.80**	**1,729.20**	**362.81**	**98.97**	**24.36**	**437.42**	**1,291.78**
Intangible Assets (Acquired) *									
Brands and Trademarks	451.51	-	-	**451.51**	123.59	34.46	-	**158.05**	**293.46**
Copyrights, Know-how and Intellectual property rights	17.79	-	-	**17.79**	8.78	1.76	-	**10.54**	**7.25**
Computer Software	34.12	7.21	0.87	**40.46**	19.73	6.27	0.78	**25.22**	**15.24**
Intangible Assets (Internally Generated)									
Product Know-how	2.32	6.57	2.32	**6.57**	1.46	1.05	1.57	**0.94**	**5.63**
Total (II)	**505.74**	**13.78**	**3.19**	**516.33**	**153.56**	**43.54**	**2.35**	**194.75**	**321.58**
Grand Total (I+II)	**2,194.19**	**101.33**	**49.99**	**2,245.53**	**516.37**	**142.51**	**26.71**	**632.17**	**1,613.36**

*** Material Intangible Assets as on March 31, 2021:**

Asset Class	**Carrying Value as at March 31, 2021**	**Remaining useful life as on March 31, 2021**
Product-related Intangibles - Brands and Trademarks	293.46	3 years to 12 years

** Refer Note 48
# Depreciation for the period ended March 31, 2021 includes depreciation amounting to Rs.9.12 Crores on assets used for Research and Development locations at Ennore and Mumbai.
+ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

@ These land and buildings were acquired, pursuant to Business Transfer Agreement between the Company and Piramal Enterprises Limited (refer note 48). Company is in the process of transferring title deeds in it's name.

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 34B for the contractual capital commitments for purchase of Property, Plant & Equipment

Piramal Pharma Limited
Notes to financial statements for the Period ended March 31, 2021

4. Investments

Investments - Non Current: (Refer note 48)

	Particulars	As at Mar 31, 2021 (Rs. in Crores)	
Investments in Equity Instruments (fully paid up, unless otherwise stated):			
A.	**In Subsidiaries (Unquoted) - At cost:**		
i.	Piramal Healthcare Inc.		
	Equity Contribution	55.67	
	Capital Contribution (Guarantee)	30.77	86.44
ii.	Piramal Dutch Holdings N.V.		1,390.54
iii.	Piramal Healthcare UK Limited (Capital Contribution - Guarantee)		1.06
iv.	Piramal Healthcare Canada Limited(Capital Contribution - Guarantee)		2.21
v.	PEL Pharma Inc.		6.54
vi.	Convergence Chemicals Private Limited (CCPL)*		100.81
			1,587.60
C.	**In Associates :** **Unquoted - At Cost:**		
i.	Allergan India Private Limited		3.92
			3.92
	Non Current Investments		**1,591.52**

* CCPL was joint venture between the Company and Navin Fluorine International Limited upto February 24, 2021, having carrying value of Rs. 35.71 Crores as on that date. On February 24, 2021, the Company has acquired balance 49% stake held by Navin Fluorine International Limited in CCPL for a cash consideration of Rs. 65.10 Crores. Post this acquisition, CCPL is a wholly owned subsidiary of the Company.

Piramal Pharma Limited
Notes to financial statements for the Period ended March 31, 2021

	As at Mar 31, 2021 Rs. in Crores
5. LOANS - NON-CURRENT	
Loans (Unsecured And Considered Good)	
Loans to related parties (refer Note 36)	613.81
TOTAL	**613.81**
6. OTHER FINANCIAL ASSETS - NON-CURRENT	
Security Deposits	10.75
TOTAL	**10.75**
7. OTHER NON-CURRENT ASSETS	
Capital Advances	1.43
Advances recoverable	23.85
TOTAL	**25.28**

	As at Mar 31, 2021 Rs. in Crores
8. INVENTORIES	
Raw and Packing Materials (Includes in transit of Rs.0.24 Crores)	213.43
Work-in-Progress	145.39
Finished Goods	34.65
Stock-in-trade	1.73
Stores and Spares	25.68
TOTAL	**420.88**

Note:

1. The cost of inventories recognised as an expense during the period was Rs. 1,275.27 Crores.
2. The cost of inventories recognised as an expense includes Rs. 0.37 Crores in respect of write downs of inventory to net realisable value and expense of Rs. 13.60 Crores in respect of provisions for slow moving/non moving/expired/near expiry products.
3. Refer note 2(a)(viii) for policy for valuation of inventories.
4. Refer note 19 for inventories hypothecated as security against borrowings.

		As at Mar 31, 2021 Rs. in Crores
9. TRADE RECEIVABLES (Unsecured)		
(a) Considered Good	841.48	
Less: Expected Credit Loss on (a)	(1.73)	839.75
(b) Considered Doubtful	22.90	
Less: Expected Credit Loss on (b)	(22.90)	
TOTAL		**839.75**

The credit period on sale of goods generally ranges from 7 to 150 days.

The Company has a Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), 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 annual basis.

Of the Trade Receivables balance as at March 31, 2021 of Rs. 839.75 Crores, the top 3 customers of the Company represent the balance of Rs. 303.88 Crores as at March 31, 2021. There were four customers who represent more than 5% of total balance of Trade Receivables.

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

As at
Mar 31, 2021
Rs. in Crores

Ageing	**Expected credit loss (%) - For external customers**
Less than 365 days	0.30%
More than 365 days	100.00%

(Rs. in Crores)

Ageing of Expected credit loss	**March 31, 2021**
Within due date	1.43
After Due date	23.20

(Rs. in Crores)

Ageing of receivables	**As at March 31, 2021**
Less than 365 days	813.69
More than 365 days	50.68
Total	**864.37**

Movement in Expected Credit Loss Allowance:	**Period ended March 31, 2021**
Balance at the beginning of the period	14.06
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	10.57
Balance at the end of the period	**24.63**

Refer Note 36 for the receivables from Related Parties
Refer note 19 for trade receivables hypothecated as security against borrowings.

Piramal Pharma Limited

Notes to financial statements for the Period ended March 31, 2021

	As at Mar 31, 2021 Rs. in Crores
10. CASH AND CASH EQUIVALENTS	
- Cash and Cash equivalents	
i. Balance with Banks :	
- Current Accounts	146.62
ii. Cash on Hand	0.11
TOTAL	**146.73**
11. OTHER BANK BALANCES	
Margin Money	5.62
TOTAL	**5.62**
12. LOANS - CURRENT (Unsecured and Considered Good)	
AT AMORTISED COST :	
Loans Receivables from Related Parties (refer note 36)	10.60
TOTAL	**10.60**
13. OTHER FINANCIAL ASSETS - CURRENT	
Security Deposits	4.69
Guarantee Commission receivable	0.32
Derivative Financial Assets	16.36
Unbilled revenues #	21.47
Other Receivables from Related Parties	41.64
Interest Accrued	0.16
Others *	15.64
TOTAL	**100.28**

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

* Mainly includes insurance claim of Rs. 6.42 Crores toward fire at Ennore plant

14. OTHER CURRENT ASSETS	
Unsecured and Considered Good :	
- Advances	70.12
Balance with Government Authorities	161.50
Prepayments	7.69
Claims Receivable	4.33
TOTAL	**243.64**

	As at Mar 31,2021 Rs. in Crores
15. SHARE CAPITAL	
AUTHORISED SHARE CAPITAL	
150,00,00,000 equity shares of Rs. 10 each	1,500.00
10,00,00,000 compulsorily convertible preference shares of Rs. 10 each	100.00
	1,600.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL	
99,46,02,064 equity shares of face value of Rs. 10 each fully paid.	994.60
TOTAL	**994.60**

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

Particulars	**As at March 31, 2021** No. of shares	**Rs. in Crores**
At the incorporation of the Company	10,000	0.01
Add: Issued during the period		
Rights Issue - Piramal Enterprises Limited	78,50,00,000	785.00
Preferential Issue - Piramal Enterprises Limited	1,06,71,651	10.67
Preferential Issue - CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	19,89,20,413	198.92
At the end of the period	**99,46,02,064**	**994.60**

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

Particulars	**As at March 31, 2021** No. of shares	**% Holding**
Piramal Enterprises Limited - Parent Company	79,56,81,651	80.00%
CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments)	19,89,20,413	20.00%

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

Particulars	**Financial Year**	**No. of shares**
Allotment of equity shares of face value Rs. 10 each fully paid-up in lieu of transfer of stake held by Piramal Enterprises Limited in Piramal Healthcare Inc. to the Company.	2020-21	1,06,71,651

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

Equity Shares:

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

(v) **Share Warrants:**

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

An amount equivalent to 0.1% of the warrant price was paid at the time of subscription by warrant holder and the balance 99.99% of the warrant price shall be payable by the warrant holder against each warrant at the time of allotment of equity shares pursuant to exercise of the option attached to the warrants to subscribe to equity shares. The exercise price is higher than Rs. 10 or such price as agreed between Piramal Enterprises Limited and the Company.
The Warrants shall not be exercisable prior to the October 6, 2021. All Warrants that are not converted into Equity Shares on October 6, 2021 shall lapse. Each Warrant will convert to 1 Equity Share.

(vi) Refer note 19 for Compulsory Convertible Preference Shares

16. OTHER EQUITY	**As at Mar 31,2021 Rs. in Crores**
Capital Reserve	(718.34)
This reserve is outcome of Business transfer (Business combination) from Piramal Enterprises Ltd (Holding Company) to the Company.	
Securities Premium	3,249.49
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	5.73
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 44(e))	
Retained Earnings	569.04
TOTAL	**3,105.92**

Note - Refer Statement of Changes in Equity for movement in reserve

		As at Mar 31,2021 Rs. in Crores
17. NON-CURRENT PROVISIONS		
Provision for employee benefits (Refer note 35)		6.59
TOTAL		**6.59**
18. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities/(Assets) on account of temporary differences :		
- Property, Plant and Equipment and Intangible Assets	167.25	
- Fair value measurement of derivative contracts	4.30	
- Recognition of lease rent expense	(0.07)	
- Remeasurement of defined benefit obligation	(0.82)	
- Expected Credit Loss on Trade Receivables	(0.24)	
		170.42

Refer Note 46 for movement during the period

		As at Mar 31,2021 Rs. in Crores
19. BORROWINGS - CURRENT		
Secured - At Amortised Cost		
Loans from banks :		
- Working capital Demand Loan	30.00	
- Packing Credit Loan in Foreign Currency (PCFC)	60.20	
		90.20
Unsecured		
Compulsory Convertible Preference Shares (CCPS) at Rs. 10 each @		75.00
TOTAL		**165.20**

Note:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan*	At Call	5.55 % per annum
PCFC*	At Call	0.74 % per annum

*These are secured by first pari-passu charge over entire current assets of the Company, both present and future

@ CCPS shall compulsorily and mandatorily be converted into Equity Shares on October 6, 2021. Conversion price for CCPS shall be above the price determined in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time.
Dividend @ 0.00001% shall be payable to the investor at the end of the 15 month period from the date of issuance i.e. October 6, 2020.
Investor shall not have voting rights in respect of CCPS until the CCPS are fully converted.

20. OTHER FINANCIAL LIABILITIES - CURRENT	
Employee related liabilities	37.26
Payable to related party (Holding Company) (Refer note 36)	592.00
Capital Creditors	1.73
Security Deposits Received	2.53
TOTAL	**633.52**

21. OTHER CURRENT LIABILITIES	
Advances from Customers	33.25
Statutory Dues	3.91
Deferred Revenue	9.41
TOTAL	**46.57**

22. CURRENT PROVISIONS	
Provision for Employee Benefits (Refer note 35)	30.88
TOTAL	**30.88**

23. CURRENT TAX LIABILITIES (NET)	
Provision for Income Tax (Net of advance Tax of Rs.95.29 Crores)	9.69
TOTAL	**9.69**

Piramal Pharma Limited
Notes to Statement of Profit and Loss for the period March 04,2020 to March 31, 2021

		For the period March 04, 2020 To March 31, 2021
		Rs. in Crores
24. REVENUE FROM OPERATIONS		
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of products	2,477.52	
Sale of Services	422.23	2,899.75
Other operating revenues:		
-Miscellaneous Income *	39.06	39.06
TOTAL		**2,938.81**

* Includes insurance claim of Rs. 5.39 Crores in respect of Ennore fire.

Disaggregate Revenue Information

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

Pharmaceuticals

Revenue by product line/ timing of transfer of goods/ services	For the period March 04, 2020 to March 31, 2021	
	At Point in time	**Over time**
Pharma	1,950.32	422.23
Over the counter products	527.20	-
Total	**2,477.52**	**422.23**

Reconciliation of revenue recognised with contract price

(Rs. in Crores)

Particulars	For the period March 04, 2020 to March 31, 2021
Sale of products and services at transaction price	3,013.04
Less: Discounts	(113.29)
Revenue recognised on sale of products and services	**2,899.75**

25. OTHER INCOME

Interest Income on Financial Assets (at amortized costs)	20.70
Dividend Income	
- On Non-current Equity Instruments in Associates	124.54
Profit on Sale of Property Plant & Equipment (Net)	0.33
Other Gains & Losses:	
- Foreign Exchange Gain (Net)	37.10
Write back of liabilities no longer payable	6.74
Miscellaneous Income	8.56
TOTAL	**197.97**

Piramal Pharma Limited
Notes to Statement of Profit and Loss for the period March 04,2020 to March 31, 2021

		For the period March 04, 2020 To March 31, 2021
		Rs. in Crores
26. COST OF MATERIALS CONSUMED		
Balance acquired as at March 4, 2020 (refer note 48)		171.74
Add: Purchases		1,070.53
Less: Closing Inventory		213.43
TOTAL		**1,028.84**
27. PURCHASES OF STOCK-IN-TRADE		
Traded Goods		141.07
TOTAL		**141.07**
28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
BALANCE ACQUIRED AS AT MARCH 4, 2020 (refer note 48) :		
Work-in-Progress	193.04	
Finished Goods	46.59	239.63
CLOSING STOCKS :		
Work-in-Progress	145.39	
Finished Goods	34.65	
Stock-in-trade	1.73	181.77
TOTAL		**57.86**
29. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages (including corporate Expense allocation pertaining to pharma business transferred to the Company Rs. 25.92 Crores).		346.43
Contribution to Provident and Other Funds (Refer Note 35)		15.06
Gratuity Expenses (Refer Note 35)		5.54
Staff Welfare		28.12
TOTAL		**395.15**
30. FINANCE COSTS		
Finance Charge on financial liabilities measured at amortised cost		4.71
TOTAL		**4.71**

Piramal Pharma Limited
Notes to Statement of Profit and Loss for the period March 04,2020 to March 31, 2021

		For the period March 04, 2020 To March 31, 2021
		Rs. in Crores
31. OTHER EXPENSES		
Processing Charges		8.58
Consumption of Stores and Spares Parts		47.50
Consumption of Laboratory materials		44.83
Power, Fuel and Water Charges		68.08
Repairs and Maintenance		
Buildings	16.71	
Plant and Machinery	33.79	
Others	0.04	50.54
Rent		
Premises	4.90	
Other Assets	6.10	11.00
Rates & Taxes		15.57
Insurance		13.02
Travelling Expenses		15.40
Directors' Commission		0.45
Directors' Sitting Fees		0.03
Expected Credit Loss on Trade Receivables		10.57
Loss due to fire		5.74
Advertisement and Business Promotion Expenses		85.53
Donations		1.49
Freight		42.10
Export Expenses		2.25
Clearing and Forwarding Expenses		5.74
Communication and Postage		5.96
Printing and Stationery		4.56
Claims		3.99
Legal Charges		1.70
Professional Charges		29.18
Royalty Expense		26.26
Service Charges (including corporate Expense allocation pertaining to pharma business transferred to the Company Rs. 27.43 Crores)		101.29
Information Technology Costs		7.05
R & D Expenses (net)		69.14
Miscellaneous Expenses		19.41
TOTAL		**696.96**

Note:
For the company, since this is the first reporting period, Corporate Social Responsibility expenses requirement under Companies Act, 2013 are not applicable.

Piramal Pharma Limited
Notes to Statement of Profit and Loss for the period March 04,2020 to March 31, 2021

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

32. Exceptional Items

Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center	(37.43)
Mark to market gains on forward contracts taken against the inflow from equity investment from Carlyle	100.85
Certain transaction cost related to business combination (refer note 48)	(45.19)
TOTAL	**18.23**

33. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)

Remeasurement of post-employment benefit obligations	(2.46)
Deferred gains / (losses) on cash flow hedge	5.73
TOTAL	**3.27**

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

Refer note 36.3 for performance gurantees

35 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.

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

(Rs. in Crores)

Particulars	**For the period March 4, 2020 to March 31, 2021**
Employer's contribution to Regional Provident Fund Office	0.79
Employer's contribution to Superannuation Fund	0.08
Employer's contribution to Employees' State Insurance	0.21
Employer's contribution to Employees' Pension Scheme 1995	2.24
Employer's contribution to National Pension Scheme	0.32

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 29 & 31)
the amounts mentioned above excludes charge to Statement of Profit and Loss on account of common control acquisition.

PIRAMAL PHARMA LIMITED
Notes to financial statements for the Period ended March 31, 2021

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

A. Change in Defined Benefit Obligation

(Rs. in Crores)

Particulars	(Funded)	
	Gratuity	Provident Fund
	Period Ended March 31, 2021	
Present Value of Defined Benefit Obligation as at beginning of the period	-	-
Interest Cost	1.41	0.23
Current Service Cost	1.02	4.72
Past Contributions from employer	-	-
Contributions from plan participants	-	8.14
Liability Transferred In for Employees Joined	46.63	-
Liability Transferred Out for Employees left	-	-
Benefits Paid from the fund	-	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	(0.39)	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.22	-
Actuarial (Gains)/loss - due to experience adjustments	2.39	(0.10)
Present Value of Defined Benefit Obligation as at the end of the period	**51.28**	**12.99**

B. Changes in the Fair Value of Plan Assets

(Rs. in Crores)

Particulars	(Funded)	
	Gratuity	Provident Fund
	Period Ended March 31, 2021	
Fair Value of Plan Assets as at beginning of the period	-	-
Interest Income	1.41	0.23
Contributions from employer	-	12.86
Contributions from plan participants	-	-
Assets Transferred In for Employees joined	46.63	-
Assets Transferred out for Employees left	-	-
Benefits Paid from the fund	-	-
Return on Plan Assets, Excluding Interest Income	(1.06)	(0.10)
Fair Value of Plan Assets as at the end of the period	**46.98**	**12.99**

C. Amount recognised in the Balance Sheet

(Rs. in Crores)

Particulars	(Funded)	
	Gratuity	Provident Fund
	Period Ended March 31, 2021	
Present Value of Defined Benefit Obligation as at the end of the period	51.28	12.99
Fair Value of Plan Assets as at end of the period	46.98	12.99
Net Liability recognised in the Balance Sheet (Refer Note 17)	**4.30**	-
Recognised under:		
Non Current provision (Refer Note 17)	**4.30**	-

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

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

D. Expenses recognised in Statement of Profit and Loss

(Rs. in Crores)

Particulars	(Funded)	
	Gratuity	Provident Fund
	Period Ended March 31, 2021	
Current Service Cost	1.02	4.72
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**1.02**	**4.72**

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 29 and 31). However does not include charge on account of common control acquisition (refer note 48).

PIRAMAL PHARMA LIMITED
Notes to financial statements for the Period ended March 31, 2021

E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current period

(Rs. in Crores)

Particulars	**Gratuity**
	Period Ended March 31, 2021
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in demographic assumptions	(0.39)
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in financial assumptions	0.22
Actuarial (Gains)/Losses on Obligation for the Period - Due to experience adjustment	2.39
Return on Plan Assets, Excluding Interest Income	1.06
Net (Income)/Expense for the Period Recognized in OCI	**3.28**

F. Significant Actuarial Assumptions:

(%)

Particulars	**(Funded)**	
	Gratuity	**Provident Fund**
	Period Ended March 31, 2021	
Discount Rate (per annum)	6.49	6.49
Expected Rate of return on Plan Assets (per annum)	6.49	6.49
Salary escalation rate	9% for 3 years then 6%	N.A

The expected rate of return on plan assets is based on market expectations at the closing of the period. The rate of return on long-term government bonds is taken as reference for this purpose.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Company. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

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

(Rs. in Crores)

Particulars	**Gratuity**
	As at March 31, 2021
Opening Net Liability	-
Expenses Recognized in Statement of Profit or Loss	1.02
Expenses Recognized in OCI	3.28
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	-
Benefit Paid Directly by the Employer	-
Employer's Contribution	-
Net Liability/(Asset) Recognized in the Balance Sheet	**4.30**

H. Category of Assets

(Rs. in Crores)

Particulars	**Gratuity**	**Provident Fund**
	As at March 31, 2021	
Government of India Assets (Central & State)	21.43	5.96
Public Sector Unit Bonds	-	-
Corporate Bonds	17.82	4.07
Fixed Deposits under Special Deposit Schemes of Central Government*	2.81	-
Equity Shares of Listed Entities / Mutual Funds	4.92	0.55
Others*	-	2.41
Total	**46.98**	**12.99**

* Except these, all the other investments are quoted.

I. Other Details

Particulars	**Gratuity**
	As at March 31, 2021
No of Active Members	3,505
Per Month Salary For Active Members (Rs. in Crores)	10.07
Average Expected Future Service (Years)	7.00
Projected Benefit Obligation (PBO) (Rs. in Crores)	51.28
Prescribed Contribution For Next Year (12 Months) (Rs. in Crores)	8.57

J. Cash Flow Projection: From the Fund

(Rs. in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity
	Estimated for period ended March 31, 2021
1st Following Year	5.78
2nd Following Year	3.77
3rd Following Year	4.66
4th Following Year	5.03
5th Following Year	5.72
Sum of Years 6 To 10	25.45

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

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

Weighted average duration of the defined benefit obligation is 8 years.

K. Sensitivity Analysis

(Rs. in Crores)

Projected Benefit Obligation	Gratuity
	As at March 31, 2021
Impact of +1% Change in Rate of Discounting	(3.38)
Impact of -1% Change in Rate of Discounting	3.35
Impact of +1% Change in Rate of Salary Increase	3.36
Impact of -1% Change in Rate of Salary Increase	(3.00)

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The liability for Leave Encashment (Non – Funded) as at period end is Rs. 30.39 Crores.

The liability for Long term Service Awards (Non – Funded) as at period end is Rs. 2.76 Crores.

PIRAMAL PHARMA LIMITED
Notes to financial statements for the Period Ended March 31, 2021

36 Related Party Disclosures

1. List of related parties

A. Holding Company
Piramal Enterprises Limited (PEL)

B. Fellow Subsidiaries *
PHL Fininvest Private Limited

C. Subsidiaries
The Subsidiary companies including step down subsidiaries :

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2021
Piramal Critical Care Italia, S.P.A**	Italy	100%
Piramal Critical Care Deutschland GmbH**	Germany	100%
Piramal Critical Care Limited **	U.K.	100%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	100%
Piramal Critical Care B.V. **	Netherlands	100%
Piramal Pharma Solutions B.V. **	Netherlands	100%
Piramal Critical Care Pty. Ltd. **	Australia	100%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	100%
Piramal Healthcare Pension Trustees Limited**	U.K.	100%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%
Piramal Dutch Holdings N.V.	Netherlands	100%
Piramal Healthcare Inc. @	U.S.A	100%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	100%
Piramal Pharma Inc.**	U.S.A	100%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%
PEL Pharma Inc.@	U.S.A	100%
PEL Healthcare LLC** (w.e.f June 26, 2020)	U.S.A	100%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%
Convergence Chemicals Private Limited (Convergence) (w.e.f. February 25th, 2021)	India	100%

** held through Piramal Dutch Holdings N.V.

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

C. Associates and Joint Ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2021	Relationship as at March 31, 2021
Convergence Chemicals Private Limited (Convergence) (till February 24th,2021)	India	NA	NA
Allergan India Private Limited (Allergan)	India	49.00%	Associate

D. Other related parties *

Entities Controlled by Key Management Personnel :
Piramal Corporate Services Private Limited (PCSL)
Piramal Glass Limited (PGL)

Employee Benefit Trusts :
Piramal Pharma Ltd Employees PF trust

E. Key Management Personnel (KMP)
Mr. Peter De Young

F. Non Executive/Independent Directors
Mr. S. Ramadorai
Mr. Rajesh Laddha
Mr. Neeraj Bharadwaj
Mr. Jairaj Manohar Purandare
Ms. Nandini Piramal (Wife of Mr. Peter De Young-relative of KMP)
Mr. Vivek Valsaraj upto October 28, 2020

* where there are transactions during the current period

(Rs. in Crores)

2. Details of transactions with related parties.

Details of Transactions	Holding company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associates	Other Related Parties	Total
	2021	2021	2021	2021	2021	2021	2021
Purchase of Goods							
- PGL	-	-	-	-	-	4.65	4.65
- PCCI	-	-	21.60	-	-	-	21.60
- Piramal Healthcare UK	-	-	(0.09)	-	-	-	(0.09)
- Piramal Healthcare, Canada	-	-	0.04	-	-	-	0.04
- PEL	49.80	-	-	-	-	-	49.80
TOTAL	**49.80**	**-**	**21.55**	**-**	**-**	**4.65**	**76.00**
Sale of Goods							
- Allergan	-	-	-	-	60.22	-	60.22
- Piramal Healthcare UK	-	-	15.73	-	-	-	15.73
- PCCI	-	-	103.14	-	-	-	103.14
- Piramal Healthcare, Canada	-	-	14.23	-	-	-	14.23
- Piramal Critical Care Limited	-	-	1.90	-	-	-	1.90
- Piramal Critical Care BV	-	-	17.60	-	-	-	17.60
- Ash Stevens	-	-	0.45	-	-	-	0.45
- PEL	373.27	-	-	-	-	-	373.27
TOTAL	**373.27**	**-**	**153.05**	**-**	**60.22**	**-**	**586.54**
Rendering of Services							
- Piramal Healthcare UK	-	-	32.18	-	-	-	32.18
- Ash Stevens	-	-	0.01	-	-	-	0.01
TOTAL	**-**	**-**	**32.19**	**-**	**-**	**-**	**32.19**
Dividend Received							
- Allergan	-	-	-	-	124.54	-	124.54
TOTAL	**-**	**-**	**-**	**-**	**124.54**	**-**	**124.54**
Guarantee commission income							
- Piramal Healthcare UK	-	-	0.47	-	-	-	0.47
- Piramal Critical Care Limited	-	-	0.01	-	-	-	0.01
TOTAL	**-**	**-**	**0.48**	**-**	**-**	**-**	**0.48**
Receiving of Services							
- Piramal Pharma Inc.	-	-	9.95	-	-	-	9.95
- Piramal Healthcare UK	-	-	13.73	-	-	-	13.73
- Ash Stevans	-	-	25.99	-	-	-	25.99
- PEL	24.90	-	-	-	-	-	24.90
TOTAL	**24.90**	**-**	**49.67**	**-**	**-**	**-**	**74.57**

(Rs. in Crores)

Details of Transactions	Holding company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associates	Other Related Parties	Total
	2021	2021	2021	2021	2021	2021	2021
Royalty Expense							
- PCSL	-	-	-	-	-	5.09	5.09
TOTAL	**-**	**-**	**-**	**-**	**-**	**5.09**	**5.09**
Rent Income							
- PHL Fininvest	-	1.55	-	-	-	-	1.55
TOTAL	**-**	**1.55**	**-**	**-**	**-**	**-**	**1.55**
Reimbursement of expenses paid							
- PEL	43.70	-	-	-	-	-	43.70
TOTAL	**43.70**	**-**	**-**	**-**	**-**	**-**	**43.70**

Details of Transactions	Holding company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associates	Other Related Parties	Total
	2021	2021	2021	2021	2021	2021	2021
Finance granted /(repayments) - Net (including loans and Equity contribution / Investments in cash or in kind)							
- Convergence	-	-	3.25	(5.00)	-	-	(1.75)
- Piramal Dutch Holdings N.V.	-	-	598.23	-	-	-	598.23
TOTAL	**-**	**-**	**601.48**	**(5.00)**	**-**	**-**	**596.48**

Details of Transactions	Holding company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associates	Other Related Parties	Total
	2021	2021	2021	2021	2021	2021	2021
Interest Paid on Loans/Investments							
- PEL	0.07	-	-	-	-	-	0.07
TOTAL	**0.07**	**-**	**-**	**-**	**-**	**-**	**0.07**

Details of Transactions	Holding company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associates	Other Related Parties	Total
	2021	2021	2021	2021	2021	2021	2021
Interest Received on Loans/Investments							
- Convergence	-	-	0.17	0.60	-	-	0.77
- Piramal Dutch Holdings N.V.	-	-	17.59	-	-	-	17.59
TOTAL	**-**	**-**	**17.76**	**0.60**	**-**	**-**	**18.36**

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.

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

Rs. in crores

Particulars	2021
Short-term employee benefits	1.00
Post-employment benefits	0.08
Other long-term benefits	-
Commission and other benefits to non-executive/independent directors	0.48
Total	**1.56**

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

3. Balances of related parties.

Rs. in Crores

Account Balances	Holding company	Fellow subsidiaries	Subsidiaries	Joint Venture	Associate	Other related Parties	Total
	2021	2021	2021	2021	2021	2021	2021
Loans to related parties - Unsecured (at amortised cost)							
- Piramal Dutch Holdings N.V.	-	-	606.94	-	-	-	606.94
- Convergence	-	-	17.47	-	-	-	17.47
TOTAL	**-**	**-**	**624.41**	**-**	**-**	**-**	**624.41**
Other receivable from related party							
- Piramal Healthcare UK	0.36	-	-	-	-	-	0.36
- Piramal Healthcare LLC	-	-	1.07	-	-	-	1.07
- PHL Fininvest Private Limited	-	0.29	-	-	-	-	0.29
- PEL	39.92	-	-	-	-	-	39.92
TOTAL	**40.28**	**0.29**	**1.07**	**-**	**-**	**-**	**41.64**
Trade Receivables							
- Piramal Healthcare UK	-	-	46.51	-	-	-	46.51
- PCCI	-	-	8.58	-	-	-	8.58
- Piramal Critical Care Limited	-	-	22.09	-	-	-	22.09
- Piramal Critical Care BV	-	-	22.08	-	-	-	22.08
- Piramal Healthcare, Canada	-	-	0.36	-	-	-	0.36
- PEL	214.88	-	-	-	-	-	214.88
- Allergan	-	-	-	-	13.40	-	13.40
TOTAL	**214.88**	**-**	**99.62**	**-**	**13.40**	**-**	**327.90**
Advance to Vendor							
- PCC Inc.	-	-	3.80	-	-	-	3.80
TOTAL	**-**	**-**	**3.80**	**-**	**-**	**-**	**3.80**
Trade Payable							
- Piramal Pharma Inc.	-	-	0.17	-	-	-	0.17
- Piramal Healthcare UK	-	-	1.28	-	-	-	1.28
- PCCI	-	-	12.32	-	-	-	12.32
- PGL	-	-	-	-	-	(0.06)	(0.06)
- Piramal Pharma Solutions Inc.	-	-	0.04	-	-	-	0.04
- PEL	128.24	-	-	-	-	-	128.24
- Ash Stevens	-	-	8.21	-	-	-	8.21
TOTAL	**128.24**	**-**	**22.02**	**-**	**-**	**(0.06)**	**150.20**
Guarantee Commission Receivable							
- Piramal Healthcare UK	-	-	0.31	-	-	-	0.31
- Piramal Critical Care Limited	-	-	0.01	-	-	-	0.01
TOTAL	**-**	**-**	**0.32**	**-**	**-**	**-**	**0.32**
Contingent Liabilities							
Guarantees Outstanding							
- Piramal Healthcare UK	-	-	438.69	-	-	-	438.69
TOTAL	**-**	**-**	**438.69**	**-**	**-**	**-**	**438.69**
Consideration Payable on account of Business Transfer (refer note 48)							
- PEL	592.00	-	-	-	-	-	592.00
TOTAL	**592.00**	**-**	**-**	**-**	**-**	**-**	**592.00**

PIRAMAL PHARMA LIMITED
Notes to financial statements for the Period ended March 31, 2021

37 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.

38

(Rs. in Crores)

Particulars	**Period Ended March 31, 2021**
Miscellaneous Expenses in Note 31 includes Auditors' Remuneration in respect of:	
A) Statutory Auditors:	
a) Audit Fees	0.45
b) Other Services *	0.00
C) Out of Pocket Expenses	0.02

* Amounts are below the rounding off norm adopted by the Company.

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

(Rs. in Crores)

Particulars	**As at March 31, 2021**
Principal amount due to suppliers registered under the MSMED act and remaining unpaid as at period end	26.61
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end.	1.38
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period.	180.57
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Interest due and payable towards suppliers registered under MSMED Act, for Payments already made	1.38
Further interest remaining due and payable for earlier years	-

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

40 The Company has advanced loans to its subsidiary companies.

Principal amounts outstanding as at the period end were:

(Rs. in Crores)

Subsidiary Companies	**As at March 31, 2021**
Piramal Dutch Holdings N.V. (revalued at closing foreign exchange rate)	591.87
Convergence Chemicals Private Limited	16.75

The maximum amounts due during the period were: **(Rs. in Crores)**

Subsidiary Companies	**For the period March 04,2020 to March 31, 2021**
Piramal Dutch Holdings N.V.	598.23
Convergence Chemicals Private Limited	16.75

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

Particulars	**For the period 04/03/2020 to 31/03/2021**
1. Profit/ (Loss) after tax (Rs. in Crores)	571.50
2. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.) *	44,99,53,500
3. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)*	44,99,53,500
4. Earnings Per Share - Basic attributable to Equity Shareholders (Rs.) (1/2)*	12.70
5. Earnings Per Share - Diluted attributable to Equity Shareholders (Rs.) *	12.70
6. Face value per share (Rs.)	10.00

* As per the securities subscription agreement between Piramal Enterprises Limited (PEL), the Company & CA Clover Intermediate-II Investments (now known as CA Alchemy Investments) ("Carlyle"), No. of Shares to be issued by the Company to Carlyle and PEL against Compulsory Convertible Preference Shares and Share warrants respectively are dependent upon fair value of share of the Company as on October 6, 2021 and accordingly, have not been considered for determination of basic and diluted earnings per share, as applicable, for the period.

42 (i) Amounts recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

Right-of-use assets (Rs. in crores)

Category of Asset	Balance acquired as at March 04, 2020	Additions during 2020-21	Deductions during 2020-21	Depreciation for March	Closing as on March 31, 2021
Building	0.98	8.26	-	1.06	8.18
Leasehold Land	5.20	0.14	-	0.07	5.27
Total	**6.18**	**8.40**	**-**	**1.13**	**13.45**

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

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

Interest expense on lease liabilities (included in finance cost) -Refer note 30	0.42
Expense relating to short-term leases (included in Other Expenses) -Refer note 31	11.00

The weighted average incremental borrowing rate applied to lease liabilities as at March 4, 2020 is 8.91%.

The bifurcation below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

1 year	2.58
1-3 years	5.06
3-5 years	3.26
More than 5 years	-

43 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 19 offset by cash and bank balances) and total equity of the Company.
The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

	(Rs. in Crores) As at March 31, 2021
Equity	4,100.62
Total Equity	**4,100.62**
Borrowings - Current	165.20
Total Debt	**165.20**
Cash & Cash equivalents	(146.73)
Net Debt	**18.47**
Debt/Equity Ratio	**0.00**

44 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 - 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

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.

Particulars	**(Rs. in Crores)** **March 31, 2021**
Undrawn credit lines	452.94
	452.94

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

(Rs. in Crores)

Maturities of Financial Liabilities	**March 31, 2021**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	165.44	-	-	-
Trade Payables	584.12	-	-	-
Lease liability	2.58	5.06	3.26	-
Other Financial Liabilities	633.52	-	-	-
	1,385.66	**5.06**	**3.26**	**-**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(Rs. in Crores)

Maturities of Financial Assets	**March 31, 2021**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Loans to related parties	42.55	624.17	5.34	-
Trade Receivables	864.38	-	-	-
	906.93	**624.17**	**5.34**	**-**

In assessing whether the going concern assumption is appropriate, the Company has considered a range of factors relating to current and expected profitability, debt repayment schedule and potential sources of replacement financing. The Company has performed sensitivity analysis on such factors considered and based on current indicators of future economic conditions; there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Because of the uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any changes to the future economic conditions.

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as on March 31, 2021.

b. Interest Rate Risk Management

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Senior Management along with centralised treasury assess the interest rate risk run by it and provide appropriate guidelines to the treasury to manage the risk. The Senior Management along with centralised treasury reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The Senior Management along with centralised treasury reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

Particulars	(Rs. in Crores) March 31, 2021
Fixed rate borrowings	90.20
	90.20

d. 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, 2021	
	FC in Millions	Rs. in Crores
Forward contracts to sell USD / INR	113.00	848.02

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

Currencies		As at March 31, 2021	
		Trade receivables	
		FC in Millions	Rs. in Crores
AUD		0.03	0.14
CAD		7.45	43.24
EUR		6.66	57.13
GBP		0.53	5.39
SGD		0.15	0.80
USD		63.11	461.41

Currencies		As at March 31, 2021	
		Trade payables	
		FC in Millions	Rs. in Crores
AUD		0.00	0.01
CAD		0.00	0.03
CHF		0.03	0.20
EUR		1.10	9.42
GBP		0.49	4.92
THB		0.77	0.18
SEK		0.03	0.02
USD		24.25	177.27
NZD		0.00	0.00
JPY		0.23	0.02
SGD		0.00	0.00
AED		0.04	0.08

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

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

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

c) Sensitivity Analysis:
Of the above, the Company is mainly exposed to USD, GBP & EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Particulars		For the period ended March 31, 2021			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in Rs.)	Impact on Profit or Loss before tax/Other Equity (pre-tax) for the period (in Rs. Crores)
USD	Increase by 5%**	146.36	32.48	3.66	41.63
USD	Decrease by 5%**	146.36	32.48	(3.66)	(41.63)
GBP	Increase by 5%**	0.53	0.49	5.04	0.02
GBP	Decrease by 5%**	0.53	0.49	(5.04)	(0.02)
EUR	Increase by 5%**	6.66	1.10	4.29	2.39
EUR	Decrease by 5%**	6.66	1.10	(4.29)	(2.39)

** Holding all the other variables constant

e. Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

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

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

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

The Company has a Board approved policy, adopted at group level on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.
Hedge effectiveness is assessed through the application of dollar offset method and designation of spot rate as the hedging instrument. The excluded portion of the foreign currency basis spread is taken directly through income statement.

The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the period ended March 31, 2021:

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

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

As at March 31, 2021 **(In Crores)**

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

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

	As at March 31, 2021			
	Total	**Less than 1 year**	**1-5 years**	**Over 5 years**
Foreign currency risk:				
Forward exchange contracts	11.30 (USD)	11.30 (USD)	-	-
Average INR:USD forward contract rate	77.11	77.11	-	-

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

Movement in Cash flow hedge reserve for the period ended	31 March 2021 (Rs. In Crs) Gain/(Loss)
As on March 04, 2020	-
Effective portion of changes in fair value:	
Foreign exchange forward contracts	13.77
Tax on movements on reserves during the period	(3.30)
Contracts novated from Piramal Enterprises Limited	(5.53)
Tax on above during the period	1.23
Amount reclassified to profit or loss:	
Foreign exchange forward contracts	(0.59)
Tax on movements on reserves during the period	0.15
Closing balance	**5.73**

45 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.

The Company has research and development centers in Mumbai, Ennore and Ahmedabad.

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad for the year are as follows:

Description	**For the year ended March 31, 2021**
Revenue Expenditure*	102.99
TOTAL	**102.99**
Capital Expenditure, Net	
Additions to Property Plant & Equipment	11.51
Additions to Intangibles under Development	6.91
TOTAL	**18.42**

*The amount included in Note 31, under R&D Expenses (net) does not include Rs.79.30 Crores relating to Ahmedabad locations.

Expenditure reported in above table is for the period April 01, 2020 to March 31, 2021.

Pursuant to business transfer Agreement between Piramal Enterprises Limited (PEL) and the Company, Research and Development units are transferred to the Company, as per terms and condition for recognition of inhouse R&D centre, PEL has informed DSIR for the same.

46 Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

	(Rs.in Crores)
Particulars	**For the period 04/03/2020 to 31/03/2021**
Current tax :	
In respect of the current period	104.98
	104.98
Deferred tax :	
In respect of the current period	10.30
	10.30
Total tax expense recognised	**115.28**

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

	(Rs.in Crores)
Particulars	**For the period 04/03/2020 to 31/03/2021**
Current tax :	-
Deferred tax :	
Fair value Remeasurement of hedging instruments entered into for cash flow hedges	1.93
Remeasurement of defined benefit obligation	(0.82)
Total tax expense recognised	**1.11**

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

	(Rs.in Crores)
	March 31, 2021
Deferred tax assets	1.13
Deferred tax liabilities	(171.55)
	(170.42)

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

d) Movement of Deferred Tax during the period March 04, 2020 to March 31, 2021

(Rs. in Crores)

Particulars	**Balance acquired as at March 04, 2020 under common control (refer note 48)**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Deferred tax (liabilities)/assets in relation to:				
Expected Credit Loss on Trade Receivables	-	0.24	-	0.24
Fair value measurement of derivative contracts	-	(2.37)	(1.93)	(4.30)
Recognition of lease rent expense	-	0.07	-	0.07
Property, Plant and Equipment and Intangible Assets	(159.01)	(8.24)	-	(167.25)
Remeasurement of defined benefit obligation	-	-	0.82	0.82
Total	**(159.01)**	**(10.30)**	**(1.11)**	**(170.42)**

e) The income tax expense for the period can be reconciled to the accounting profit as follows: **(Rs. in Crores)**

Particulars	For the period March 04, 2020 to March 31, 2021
Profit before tax	**686.78**
Profit recognised on account of common control acquisition	282.02
Profit before tax from continuing operations	**404.76**
Income tax expense calculated at 25.17%	**101.88**
Effect of expenses that are not deductible in determining taxable profit	11.37
Others	2.03
Income tax expense recognised in profit or loss	**115.28**

f) The tax rate used for the reconciliations above is the corporate tax rate of 25.17% for the period payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

47 Fair Value Measurement

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

Particulars		(Rs. in Crores)
	March 31, 2021	
	FVTPL	Amortised Cost
Financial Assets		
Investments	-	1,591.52
Loans	-	624.41
Cash & Bank Balances	-	152.35
Trade Receivables	-	839.75
Other Financial Assets	16.36	94.67
	16.36	**3,302.70**
Financial liabilities		
Borrowings	-	165.20
Trade Payables	-	584.12
Other Financial Liabilities	-	642.58
	-	**1,391.90**

The Company considers that carrying amounts of financial assets and financial liabilities disclosed above approximate their fair values.

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

(Rs. in Crores)

Financial Assets	March 31, 2021				
	Notes	Level 1	Level 2	Level 3	Total
Other Financial Assets					
Derivative Financial Assets	i.	-	16.36	-	16.36

Notes :
i This includes forward exchange contracts the fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date

48 The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had approved:
a. the Purchase of the pharmaceutical business ('Pharma Business') of the Holding Company 'Piramal Enterprises Limited', held by the Holding Company directly and through its wholly owned subsidiaries., by the Company.
b. issue of such number of securities of the company, representing 20% paid up share capital of the company on a fully diluted basis to CA Clover Intermediate II Investments (now known as CA Alchemy Investments) ("Carlyle"), an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group Inc for the strategic growth investment.

This transaction was successfully closed on October 6th, 2020 on receipt of requisite approvals. As a result, the Company received Rs.3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments.

In accordance with Appendix C to Ind AS 103, the purchase of pharma business being a common control transaction (transaction between a holding company (Piramal Enterprises Limited) and the Company), is accounted for at the carrying values and the financial information has been drawn up with effect from March 4, 2020, being the date of incorporation of the Company. The difference between the carrying value of the net assets of the Pharma Business and consideration paid has been recognised in Capital Reserve.

Particulars			**(Rs. In Crores)**
Assets			
Non-Current Assets			
-Property, Plant & Equipment		1,325.64	
-Capital Work in Progress		57.78	
-Intangible Assets		352.18	
-Intangible Assets Under Development		62.08	
-Right of Use Asset		6.18	1,803.86
Financial Assets:			
-Investments		1,526.42	
-Loans		24.51	
-Other Financial Assets		11.89	1,562.82
Other Non-Current Assets			35.92
Current Assets			
Inventories		458.22	
Financial Assets:			
-Trade Receivables		491.16	
-Other Financial Assets		36.31	
Other Current Assets		283.70	1,269.39
Total Assets	**(I)**		4,671.99
Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
Lease Liability			1.44
Provisions			62.43
Current Liabilities			
Financial Liabilities:			
-Trade payables		456.90	
-Other Financial Liabilities		31.51	
Other Current Liabilities		39.92	
Provisions		0.11	528.44
Total Liabilities	**(II)**		**592.31**
Net value of Assets and liabilities as on March 4, 2020(I-II)			4,079.68
Less : Consideration in the form of cash			(4,302.00)
Less : Consideration in the form of Share Capital issued (refer footnote to Statement of Cash flow)			(185.00)
Add : Securities Premium issued on shares above adjusted against capital reserve (refer footnote to Statement of Cash flow)			174.33
Less : Deferred tax liability on acquisition			(159.01)
Capital reserve on March 4, 2020		(A)	**(392.00)**
Less : Cash balance not taken over (including generated out of operations for the period from March 4, 2020 to October 5, 2020).		(B)	(326.34)
Capital reserve on October 5, 2020		**(A+B)**	**(718.34)**

49 The Company has entered into an agreement on March 31, 2021 to acquire 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') for an upfront cash consideration of Rs.775 crores and earn-outs linked to achievement of milestones ('Acquisition'). Consequent to this Acquisition, Hemmo would become a wholly owned subsidiary of the Company. The transaction is subject to the completion of customary closing conditions and certain regulatory approvals.

50 The financial statements have been approved for issue by Company's Board of Directors on May 11, 2021.

Signature to note 1 to 50 of financial statements.

For and on behalf of the Board of Directors

Nandini Piramal
Director
DIN : 00286092

Rajesh Laddha
Director
DIN : 02228042

Vivek Valsaraj
Chief Financial Officer

Tanya DCosta
Company Secretary

Mumbai, May 11, 2021